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2017 - 2018 Budget

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Elected Officials & Administration

City Council

James Smith	Mayor	Fifth District	jsmith@manisteemi.gov
Roger Zielinski	Mayor Pro-Tem	Third District	rzielinski@manisteemi.gov
Dale Cooper	Councilmember	First District	dcooper@manisteemi.gov
Lynda Beaton	Councilmember	Second District	lbeaton@manisteemi.gov
Chip Goodspeed	Councilmember	Fourth District	cgoodspeed@manisteemi.gov
Mark Wittlieff	Councilmember	Sixth District	mwittlieff@manisteemi.gov
Erin Pontiac	Councilmember	Seventh District	epontiac@manisteemi.gov

Administration

Thad Taylor	City Manager	ttaylor@manisteemi.gov
Tim Kozal	Public Safety Director	tkozal@manisteemi.gov
Denise Blakeslee	Planning & Zoning Director	dblakeslee@manisteemi.gov
Ed Bradford	Chief Financial Officer	ebradford@manisteemi.gov
Jeff Mikula	Public Works Director	jmikula@manisteemi.gov
Michelle Wright	City Clerk\Deputy Treasurer	mwright@manisteemi.gov

Budget Overview

Budget Reader's Guide

Welcome to the City of Manistee's Fiscal Year 2017-2018 budget. The Budget is the guiding financial policy document for the City of Manistee and includes all City revenues, expenditures, and capital projects for the fiscal year. The Budget is laid out in an easy to understand and read format. The Table of Contents should direct anyone to their particular area of interest.

If you want a quick summary of the document, the Budget Overview section provides the reader with the big picture of the City's finances, challenges and important issues. This provides a high level overview of the City's budget and includes the City Manager's Budget Transmittal Letter, Budget Highlights and Budget Issues, as well as other summary information.

The General Fund is the largest part of the document and the place where most public services are identified, as well as most departmental budgets. Each departmental budget is presented in detail. Reading the narrative pages for each department will give you a good understanding of the responsibilities, operations and challenges of that department, as well as budget assumptions.

The Downtown Development Authority section discusses the DDA, a component unit of the City.

Enterprise Funds is the next section of the document. These funds include the Water & Sewer Utility, Municipal Marina & Boat Launch. These are Funds that operate like a business and charge user fees to generate operating revenues.

Permanent Funds are those that are intended to be perpetual in nature and where only the earnings can be spent. The City's Oil & Gas fund is a permanent fund.

Internal Service & Special Revenue Funds are presented next. These funds are established for a specific purpose, such as tracking a grant or for State mandated items, and typically have independent revenue sources. Examples of activities that are accounted for in these funds are the Motor Pool, Major & Local Street Funds & Refuse Fund.

If you want to see what general physical improvements the City is planning, the Capital Project Funds section is the place to look. These funds track capital expenditures and most current projects. Other specific capital improvements can be found in the Enterprise fund section. Finally, the City does not have a Debt Service Fund. Instead, City debt is recorded in the fund that it is associated with.

The Appendix provides valuable supplemental information to the reader. This section tracks valuable information over time, such as the number of employees and state equalized value. This information allows the budget to serve as a record of important historic information.

We hope you find this document useful. On behalf of the City of Manistee, thank you for taking the time to review the Fiscal Year 2017-2018 budget document.

Budget Transmittal Letter

March 28, 2017

Honorable Mayor James Smith
Members of the Manistee City Council
City of Manistee
70 Maple Street
Manistee, Michigan 49660

Mayor and Council Members:

The Fiscal Year 2017-2018 City of Manistee budget recommendations are presented for your consideration.

The budget for your review is balanced, realistic, and continues to focus on Council priorities. Council specifically directed staff to achieve a balanced budget without using the City's general fund reserves. I'm pleased to report that we were able to meet that objective. An approximate 1.2% increase in taxable value, the first meaningful increase in several years, reduction and elimination of indirect general fund subsidies to refuse and streets, an increase in State street funding and adjustments to several appropriations, helped to achieve the balanced budget.

The budget maintains our current staffing levels, affords raises to our employees, funds the full impact cost of the MERS experience study, continues to invest in capital improvements, provides for a continued and increased level of funding for street improvements, includes scheduled water and sewer, and refuse rate increases to provide sufficient funding for those departments, and anticipates an increase in contributions from the DDA in recognition of services provided them by the City.

The 2017-2018 Budget and Capital Improvement Plan will be formally introduced to the Council and the Community at the Tuesday, April 4, 2017 meeting. Various budget work sessions have been established: a regular work session on Tuesday, April 11; a public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 18; a work session will follow the regular meeting on Tuesday, April 18; with an optional work session on Tuesday, April 25, 2017. Budget adoption is anticipated at the regular meeting of May 2, 2017.

Respectfully submitted,

Thad N. Taylor

Thad N. Taylor, City Manager

Strategic Plan

The City Council annually updates the City of Manistee Strategic Plan with assistance of the Alliance for Economic Success. The strategic plan provides direction to staff and is used as a basis for formulating each department's tactical approach and annual operating budget, in order to best meet the goals of the plan.

Our Vision:

Manistee is a safe and positive community to live, work, and play.

Our Mission:

**To continue to encourage a rich heritage of successes in industry and business
while continuing to enhance our vibrant residential character.**

Our Purpose:

**To protect the health, safety, and welfare of citizens in order that all may prosper, enjoy,
and partake in a vibrant waterfront community that many will be proud to call home.**

The City annually updates this plan to ensure that it is kept current and remains relevant. The document focuses on big picture items. The most recent areas of focus in the strategic plan are:

1. Economic Development and Jobs
2. Infrastructure and Facilities
3. Beaches, Parks and Recreation Areas
4. Financial Stability and Continuous Improvement
5. Intergovernmental Relationships
6. Housing, Homelessness and Senior Citizens

The annual budget and capital improvement plan are developed with the goal of supporting the strategic plan wherever feasible and economical. The past few years have seen tangible, steady progress in each of these focus areas. This budget continues that trend through both operational and capital items.

The most recent Strategic Plan update can be found at www.manisteemi.gov. Staff and Council will need to continue their annual strategic planning process in fall 2018 to ensure it is completed prior to the preparation of the FY 2019 budget.

Budget Appropriation

**CITY OF MANISTEE
FY 2018 GENERAL APPROPRIATIONS ACT
BUDGET ADOPTION LIST**

It was moved by _____, supported by _____, that the City of Manistee Budgets for the FY 2017-2018 be adopted as presented by the City Manager on April 4, 2017 and modified by Council work sessions including tax levy, operating expenses, capital outlay, appropriations, schedule of fees and other matters included in the following expenditures:

GENERAL FUND

101 - GENERAL FUND

Total Revenue	\$	6,522,702
Total Expense	\$	6,522,702
100 - General Government	\$	375,416
101 - Legislative	\$	41,184
172 - Manager	\$	221,992
215 - Clerk	\$	204,085
253 - Finance	\$	284,542
257 - Assessor	\$	85,865
265 - Municipal Buildings	\$	201,538
266 - Attorney	\$	86,000
285 - Engineer	\$	12,000
290 - Boards and Commissions	\$	10,150
301 - Police	\$	1,158,380
336 - Fire	\$	1,034,389
441 - Public Works	\$	1,337,551
574 - Debt	\$	785,298
748 - Community Development	\$	99,347
751 - Parks and Recreation	\$	389,448
801 - Appropriations	\$	195,518

ENTERPRISE FUNDS

573 - WATER & SEWER FUND

Total Revenue	\$	5,925,125
Total Expenses	\$	3,766,549
Total Capital & Debt	\$	1,976,323
General	\$	591,188
Administration	\$	600,079
Water	\$	641,208
WWTP	\$	695,126
Sewer	\$	258,809
SAW Grant	\$	980,139
Debt Service	\$	1,696,323
Capital Outlay	\$	280,000

594 - MUNICIPAL MARINA FUND

Total Revenue	\$	221,675
Total Expenses	\$	161,555
Total Capital & Debt	\$	62,973
Debt Service	\$	62,973
Capital Outlay	\$	-

508 - BOAT LAUNCH FUND

Total Revenue	\$	38,000
Total Expenses	\$	14,770
Total Capital & Debt	\$	14,536
Debt Service	\$	14,536
Capital Outlay	\$	-

SPECIAL REVENUE FUNDS

202 - MAJOR STREET FUND

Revenue	\$	838,577
Expense	\$	615,414

203 - LOCAL STREET FUND

Revenue	\$	516,892
Expense	\$	627,114

204 - CITY STREET FUND

Revenue	\$	26,605
Expense	\$	29,500

226 - REFUSE FUND

Revenue	\$	508,916
Expense	\$	523,149

275 - GRANT MANAGEMENT

Revenue	\$	1,020,000
Expense	\$	1,051,474

CAPITAL PROJECT FUNDS

430 - CAPITAL IMPROVEMENT FUND

Revenue	\$	390,928
Expense	\$	153,000
Debt Service	\$	246,630

490 - RENAISSANCE PARK FUND

Revenue	\$	5,616
Expense	\$	5,616

INTERNAL SERVICE FUNDS

661 - MOTOR POOL FUND

Revenue	\$	321,611
Expense	\$	399,488

PERMANENT FUNDS

245 - OIL & GAS FUND

Revenue	\$	630,000
Expense	\$	445,428

The Manistee City Council hereby establishes a property tax levy of 17.7612 mills for General Fund operations and 1.15 mills for Refuse Fund operations for FY 2017-2018. In City water and sewer consumption charges are established at \$2.93 and \$8.03 per 1,000 gallons respectively for bills issued after July 1, 2017. Refuse residential monthly user charges are established at \$4.80, \$9.60 and \$14.40, depending on level of service selected, for bills issued after July 1, 2017. All other fees and charges are established in the included schedule of fees and/or City ordinance.

Adopted by the Manistee City Council on May 2, 2017.

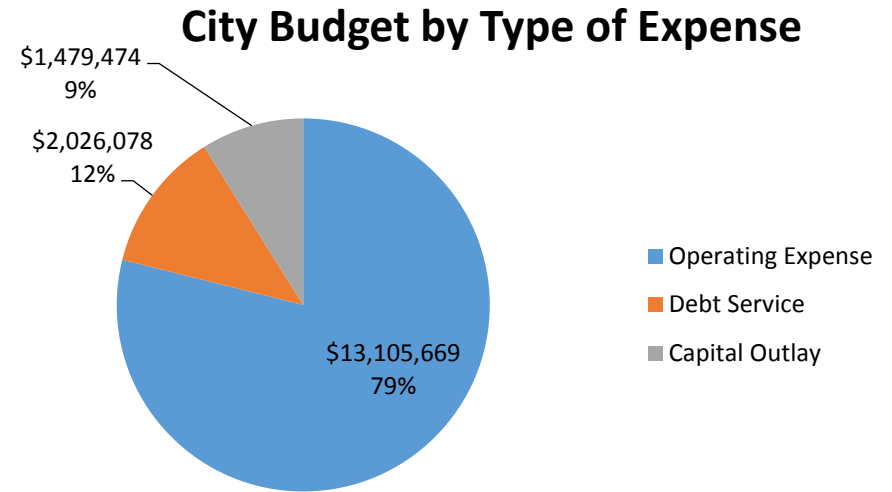
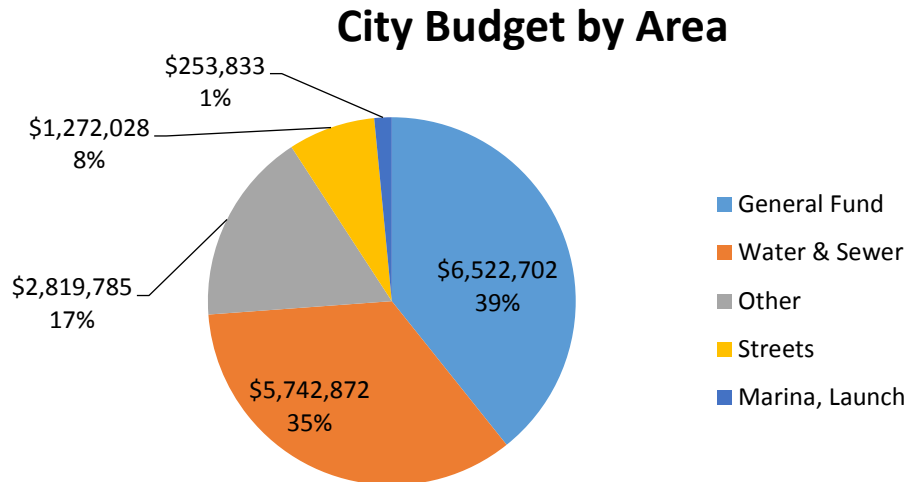
James Smith, Mayor

ATTEST:

Michelle Wright, City Clerk

Budget Highlights

The budget for all City funds, including capital outlay and debt service, totals **\$16,611,221**. This is an increase of **\$873,426** from the prior year.



The General Fund has a total budget of \$6,552,701 or 39% of total spending. This is up \$300,773 or 4.8% from the prior year. The increase is due primarily to wage and benefit cost increases. Services most people associate with local government, such as police, fire & EMS, tax collection, assessing, parks, elections and planning & zoning are funded here. The budget is balanced without using reserves. Employment is expected to increase by 2.0 FTE due to the addition of two DPW employees, explained further later in the budget.

The General Fund receives its income from a variety of sources, including property taxes, state revenue sharing and charge for services. Total revenue of \$6,552,701 is up \$340,772 or 5.5%. The increase is primarily due to increased reimbursements.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of \$5,742,872 or 35% of total spending. This includes \$280,000 dollars in capital expenditures to address infrastructure needs, \$1.7 million dollars in debt service and \$980,000 in SAW grant expenditures. Water and sewer rates are proposed to increase 3.5% consistent with the recommendation made in the 2014 Burton & Associates Rate Study. A typical 6,000 gallon customer will see their monthly bill increase by \$2.77 per month.

The overall Street budget including Major, Local Street and City Street funds is \$1,272,028 or 8% of total spending. The budget includes \$383,700 in funding for Street resurfacing. Work to be completed is about 0.83 miles or 11 blocks of heavy rehabilitation, primarily on Local Streets. Supplemental funding for Local streets in the amount of \$75,000 from the General fund, \$113,000 from the capital improvement fund and \$50,000 from the Major Street fund. The budget also lays out a proposed five year transportation improvement plan (TIP) with over \$4,600,000 in work.

Other City funds account for \$2,819,785 or 17% of spending. The primary funds included here are the Capital Improvement, Grant Management, Oil & Gas, Motor Pool and Refuse funds.

The Capital Improvement fund pays for capital projects throughout the City. It has revenues of \$390,928 and expenses of \$394,630. Almost half of the spending is for the street network.

The Grant Management fund has revenues of \$1,020,000 and accounts for the Local Revenue Sharing Board grants, as well as various other State, Federal and Local grants. A large CDBG grant is expected this year.

The Oil & Gas fund is a permanent endowment fund that accumulates royalties and investment earnings on City-owned mineral rights. It is the primary source of revenue for the Capital Improvement fund. The value of the fund is about \$9.95 million dollars.

The Motor Pool fund accounts for the purchase of vehicles and equipment for use by City departments. Equipment with an estimated net cost of \$635,500 has been budgeted. The fleet has been streamlined somewhat in recent years, and the lifespan and utility of each piece of equipment is under continuous review by Administration.

The Refuse fund accounts for the taxes and fees collected, and payments made, to collect and dispose of refuse and yard waste in the city. Rates are budgeted to increase and a typical 1-2 bag a week residential customer will see their monthly bill increase by \$.60 per month.

The Boat Launch and Marina account for \$253,833 or 2% of expenditures. In recent years, both enterprises have taken on debt to fund significant capital investments. The Boat Launch is generally self-sufficient. However, its revenue is dependent on the weather, fishing conditions and fuel prices; all of which are beyond the City's control.

The Marina is being well-received by boaters, but this has not translated into the additional traffic needed to drive sales to support its debt service. The Harbor Commission is looking at ways to increase Marina revenue. The budget anticipates a revenue shortfall requiring financial support from the capital improvement fund in the amount \$65,000.

Budget Issues

There are a number of important issues, challenges and decisions that the City is facing in the upcoming year. These areas are listed below and discussed more fully in the respective budget section.

General Fund: Prior year projections showed the general fund having large deficits moving forward. General fund revenue was not expected to grow at an adequate rate to maintain service levels and fund priorities moving forward and projections show a widening deficit in future years. This balanced budget has made significant progress in closing this future gap; however, work remains to be done moving forward.

DDA: The DDA TIF plan is coming up for renewal and further discussion about a variety of topics, including focus areas, prioritization of capital projects and adequate reimbursement for City services needs to occur between the DDA and City.

Water & Sewer: The water and sewer utility has a number of important issues. These include implementation of agreements with surrounding townships, completing the SAW grant and closing the last combined sewer outfall by December, 2020. The last issue will require significant engineering and construction efforts and will necessitate incurring additional debt. However, it is likely that planned rates will be adequate to support the needed borrowing.

Municipal Marina: The marina is struggling financially. Revenue needs to increase for it to be able to service its debt, or the ongoing support from the capital improvement fund will have to be maintained.

Ramsdell Theatre: The Ramsdell Theatre has been leased to a local non-profit organization. The organization is making steady progress towards turning around the operations of the Theatre around through community engagement, desirable programming and active fundraising. The amount of City support is expected to be reduced by another 10% this year.

Refuse Fund: The refuse fund has been receiving an implicit general fund subsidy by not fully reimbursing it for services provided. This budget begins a three-year phase out of that subsidy and raises rates to ensure solvency. Trash haul has been eliminated in favor of the once-a-month bulky item pickup.

Streets: The budget includes \$383,700 in street projects and the transportation improvement plan anticipates an average of \$822,000 annual investment from FY 2018 through FY 2022. This is 37% above the minimum target of \$600,000 identified in the Street Asset Management Plan. The budget also fully reimburses the general fund for services provided. Further increased State funding could help drive down the City's commitment from other sources and allow for those funds to be redeployed on competing priorities.

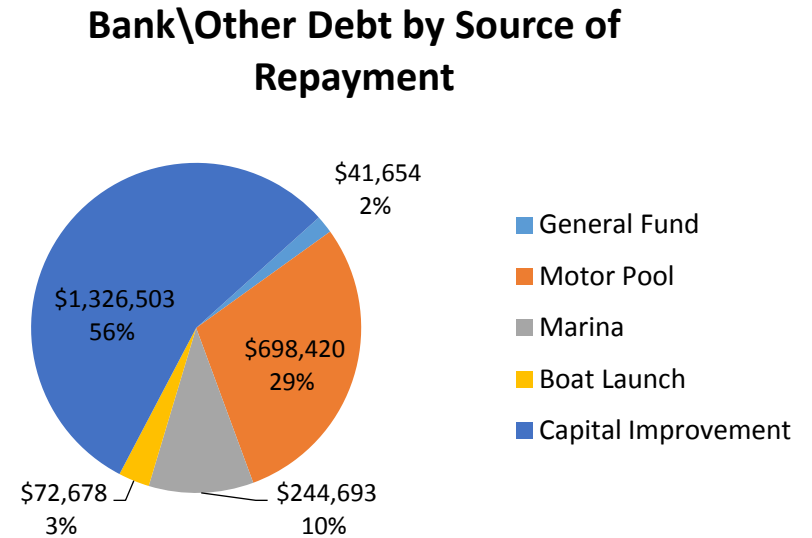
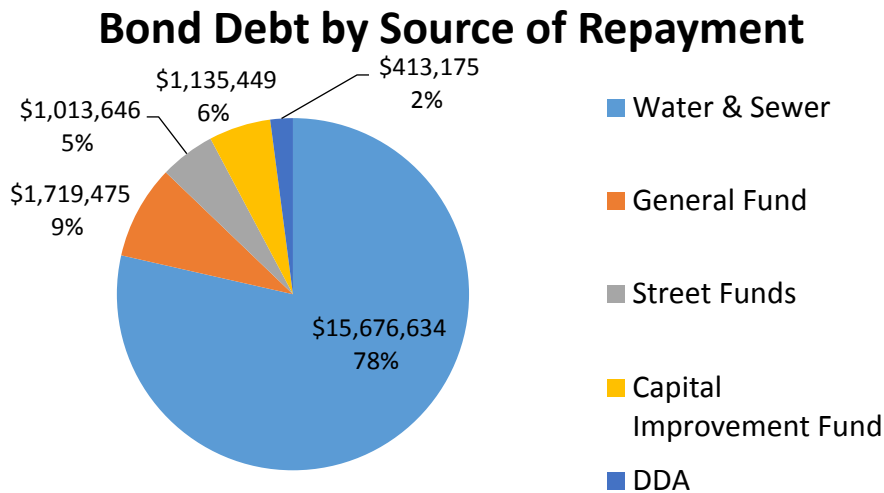
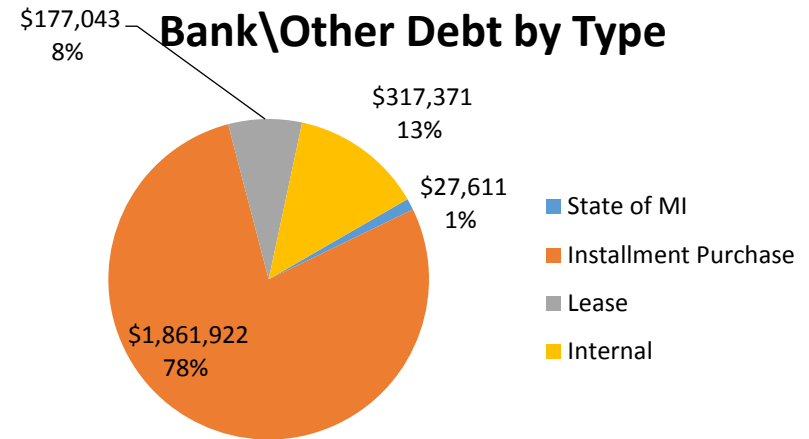
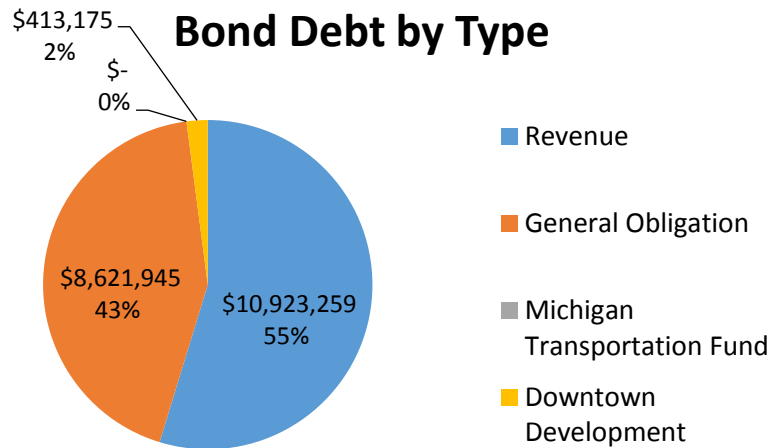
Budget Change Summary

During the budget process, changes are often made to the Manager's proposed budget. These changes will be summarized here, and reflected in the budget numbers, narratives and annual appropriation act.

The primary changes were as follows:

City Indebtedness

The City has twelve outstanding bond issues for a variety of purposes. It has thirteen outstanding bank installment purchase contracts and internal loans. These bond issues and loans create a first demand on City financial resources, before any discretionary funding. It is necessary to remain aware of these obligations as the City makes decisions on other financial matters.



Detailed information on all of the City's debt is found on the next two pages. It should be noted that the cost of capital for most of the City's debt is at quite advantageous rates, particularly the loans through the SRF and DWRP programs, and the most recent water and sewer revenue bond.

Refunding activity is an important part of the City's financial management. When market and bond covenants allow, the City will refinance previous debt issues to save money. In August of 2005, the City refunded three Water & Sewer revenue bonds. This refunding saved the City \$282,000 over the life of the bonds. In 2010, the City refinanced the DDA bond, saving over \$60,000. In 2013, the City refunded its 2003 City Hall Capital Improvement Bonds, saving over \$263,000.

Outstanding Bond Debt

As of 7/01/2017

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2018 Principal Payments	FY 2018 Interest Payments	FY 2018 Total Payments
1	1998 B SRF	CSO	GO LT	451	Water & Sewer	2019	2	\$ 2,715,000	\$ 325,000	\$ 7,369	\$ 332,369	\$ 160,000	\$ 5,513	\$ 165,513
2	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	4	\$ 2,285,000	\$ 555,000	\$ 28,188	\$ 583,188	\$ 135,000	\$ 12,188	\$ 147,188
3	2005 WS Refunding	Refund WS	Revenue	94	Water & Sewer	2028	11	\$ 6,285,000	\$ 2,570,000	\$ 290,409	\$ 2,860,409	\$ 585,000	\$ 91,435	\$ 676,435
4	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	10	\$ 2,757,270	\$ 1,472,270	\$ 132,156	\$ 1,604,426	\$ 140,000	\$ 23,924	\$ 163,924
5	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	14	\$ 705,000	\$ 491,075	\$ 91,113	\$ 582,188	\$ 30,000	\$ 11,902	\$ 41,902
6	2010 DWRP	CSO	Revenue	94	Water & Sewer	2031	14	\$ 465,000	\$ 345,000	\$ 64,938	\$ 409,938	\$ 20,000	\$ 8,375	\$ 28,375
7	2010 Cap Imp	Various	GO LT	34	W&S, CI, St	2031	14	\$ 5,800,000	\$ 4,480,000	\$ 1,506,914	\$ 5,986,914	\$ 245,000	\$ 184,273	\$ 429,273
8	2010 DDA Refunding	Streetscape	DDA LT	197	DDA	2020	3	\$ 1,075,000	\$ 390,000	\$ 23,175	\$ 413,175	\$ 125,000	\$ 12,475	\$ 137,475
9	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	15	\$ 1,485,000	\$ 990,774	\$ 195,213	\$ 1,185,987	\$ 60,000	\$ 24,769	\$ 84,769
10	2011 DWRP	CSO	Revenue	94	Water & Sewer	2032	15	\$ 775,000	\$ 332,555	\$ 65,819	\$ 398,374	\$ 20,000	\$ 8,314	\$ 28,314
11	2013 CI Refunding	City Hall	GO LT	34	General Fund	2024	7	\$ 2,950,000	\$ 1,580,000	\$ 139,475	\$ 1,719,475	\$ 185,000	\$ 33,550	\$ 218,550
12	2015 W&S Revenue	W&S	Revenue	94	Water & Sewer	2036	19	\$ 2,770,000	\$ 2,770,000	\$ 1,111,938	\$ 3,881,938	\$ -	\$ 86,750	\$ 86,750
TOTAL								\$30,067,270	\$16,301,674	\$3,656,705	\$19,958,379	\$1,705,000	\$503,467	\$2,208,467

Type of Bond Debt	Total Principal	Total Interest	Total Debt Service	Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
Revenue	\$ 8,971,674	\$ 1,951,585	\$ 10,923,259	Water & Sewer	\$ 12,723,508	\$ 2,953,125	\$ 15,676,634
General Obligation	\$ 6,940,000	\$ 1,681,945	\$ 8,621,945	General Fund	\$ 1,580,000	\$ 139,475	\$ 1,719,475
Michigan Transportation Fund	\$ -	\$ -	\$ -	Street Funds	\$ 758,510	\$ 255,136	\$ 1,013,646
Downtown Development	\$ 390,000	\$ 23,175	\$ 413,175	Capital Improvement Fund	\$ 849,655	\$ 285,794	\$ 1,135,449
				DDA	\$ 390,000	\$ 23,175	\$ 413,175
Total	\$ 16,301,674	\$ 3,656,705	\$ 19,958,379	Total	\$ 16,301,674	\$ 3,656,705	\$ 19,958,379

Outstanding Bank\Other Debt

As of 7/01/2017

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2018 Principal Payments	FY 2018 Interest Payments	FY 2018 Total Payments
1	Renaissance Park	Economic Dev	State Loan	n/a	General Fund	2022	5	\$ 102,000	\$ 27,611	\$ -	\$ 27,611	\$ 5,616	\$ -	\$ 5,616
2	Marina Building	Marina	IPA	99	CapImp\Marina	2026	9	\$ 380,000	\$ 249,365	\$ 42,112	\$ 291,478	\$ 24,307	\$ 8,079	\$ 32,386
3	Marina Building	Marina	Internal	n/a	Marina	2021	4	\$ 274,482	\$ 223,884	\$ 20,809	\$ 244,693	\$ 26,068	\$ 4,519	\$ 30,587
4	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2018	1	\$ 135,000	\$ 68,476	\$ 4,202	\$ 72,678	\$ 13,153	\$ 1,382	\$ 14,536
5	Ramsdell HVAC	Ramsdell	IPA	99	Cap Imp	2027	10	\$ 1,250,000	\$ 868,067	\$ 166,958	\$ 1,035,025	\$ 77,978	\$ 30,972	\$ 108,950
6	Vactor	Water & Sewer	Lease	n/a	Motor Pool	2019	2	\$ 271,235	\$ 159,024	\$ 3,976	\$ 163,000	\$ 159,024	\$ 3,976	\$ 163,000
7	Braun Ambulance	Fire	IPA	99	Motor Pool	2023	6	\$ 257,904	\$ 158,533	\$ 15,542	\$ 174,075	\$ 24,660	\$ 4,340	\$ 29,000
8	Intl. Plow Truck	DPW	IPA	99	Motor Pool	2018	1	\$ 120,000	\$ 30,601	\$ 409	\$ 31,010	\$ 30,601	\$ 409	\$ 31,010
9	Kyocera Copier	Finance	Lease	n/a	General Fund	2018	1	\$ 5,990	\$ 845	\$ 18	\$ 863	\$ 845	\$ 18	\$ 863
10	Kyocera Copier	Police\Fire	Lease	n/a	General Fund	2020	3	\$ 8,142	\$ 3,827	\$ 262	\$ 4,090	\$ 1,705	\$ 182	\$ 1,888
11	Plow Trucks	DPW	IPA	99	Motor Pool	2020	3	\$ 290,000	\$ 219,418	\$ 7,902	\$ 227,319	\$ 71,846	\$ 3,928	\$ 75,773
12	Loader	DPW	IPA	99	Motor Pool	2020	3	\$ 100,000	\$ 100,000	\$ 3,015	\$ 103,015	\$ 32,838	\$ 1,500	\$ 34,338
13	Kyocera Copier	Manager	Lease	n/a	General Fund	2022	5	\$ 8,500	\$ 7,888	\$ 1,202	\$ 9,090	\$ 1,535	\$ 449	\$ 1,983
TOTAL								\$ 3,203,253	\$ 2,117,541	\$ 266,407	\$ 2,383,947	\$ 470,176	\$ 59,754	\$ 529,930

Type of Debt	Total Principal	Total Interest	Total Debt Service	Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
State of MI	\$ 27,611	\$ -	\$ 27,611	General Fund	\$ 40,172	\$ 1,482	\$ 41,654
Installment Purchase	\$ 1,625,984	\$ 235,938	\$ 1,861,922	Motor Pool	\$ 667,576	\$ 30,844	\$ 698,420
Lease	\$ 171,585	\$ 5,458	\$ 177,043	Marina	\$ 223,884	\$ 20,809	\$ 244,693
Internal	\$ 292,360	\$ 25,011	\$ 317,371	Boat Launch	\$ 68,476	\$ 4,202	\$ 72,678
				Capital Improvement	\$ 1,117,433	\$ 209,070	\$ 1,326,503
Total	\$ 2,117,541	\$ 266,407	\$ 2,383,947	Total	\$ 2,117,541	\$ 266,407	\$ 2,383,947

Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
2018	\$ 1,705,000	\$ 503,467	\$ 2,208,467
2019	\$ 1,770,000	\$ 450,823	\$ 2,220,823
2020	\$ 1,845,000	\$ 392,268	\$ 2,237,268
2021	\$ 1,080,000	\$ 346,099	\$ 1,426,099
2022	\$ 982,555	\$ 316,368	\$ 1,298,923
2023	\$ 1,025,000	\$ 286,622	\$ 1,311,622
2024	\$ 1,060,000	\$ 255,579	\$ 1,315,579
2025	\$ 810,000	\$ 226,656	\$ 1,036,656
2026	\$ 845,000	\$ 199,946	\$ 1,044,946
2027	\$ 832,270	\$ 171,856	\$ 1,004,126
2028	\$ 730,774	\$ 143,166	\$ 873,940
2029	\$ 765,000	\$ 115,732	\$ 880,732
2030	\$ 790,000	\$ 87,332	\$ 877,332
2031	\$ 821,075	\$ 57,278	\$ 878,353
2032	\$ 230,000	\$ 36,563	\$ 266,563
2033	\$ 240,000	\$ 28,925	\$ 268,925
2034	\$ 250,000	\$ 20,963	\$ 270,963
2035	\$ 255,000	\$ 12,756	\$ 267,756
2036	\$ 265,000	\$ 4,306	\$ 269,306
	\$ 16,301,674	\$ 3,656,705	\$ 19,958,379

Total Existing Bank\Other Debt by FY

	Principal	Interest	Total
2018	\$ 470,176	\$ 59,754	\$ 529,930
2019	\$ 286,813	\$ 48,243	\$ 335,057
2020	\$ 292,521	\$ 40,963	\$ 333,484
2021	\$ 189,506	\$ 33,552	\$ 223,058
2022	\$ 193,967	\$ 27,796	\$ 221,763
2023	\$ 179,048	\$ 21,950	\$ 200,998
2024	\$ 155,693	\$ 16,230	\$ 171,923
2025	\$ 160,808	\$ 11,116	\$ 171,923
2026	\$ 135,509	\$ 5,827	\$ 141,336
2027	\$ 53,499	\$ 976	\$ 54,475
	\$ 2,117,541	\$ 266,407	\$ 2,383,947

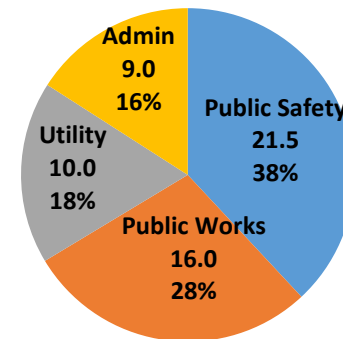
Employees

The City of Manistee has four different unionized employee groups including the DPW employees represented by the United Steelworkers (USW), police officers represented by the Police Officers Association of Michigan (POAM), police sergeants represented by the Command Officers Association of Michigan (COAM), and the firefighters represented by the International Association of Fire Fighters (IAFF). It also has two non-union groups, Department Directors and Non-Supervisory. Group membership and collective bargaining agreements are shown below.

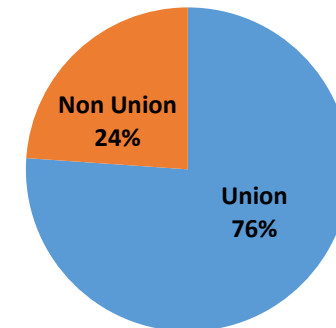
Employee Group	Number of Employees	Contract Expiration
POAM	9	June 30, 2018
COAM	3	June 30, 2018
IAFF	8	June 30, 2018
USW	23	June 30, 2017
Directors	5	n/a
General	7.5	n/a
Manager	1	n/a
Total	56.5	

The public safety unions consisting of the POAM, COAM and IAFF have binding arbitration rights under PA 312, whereas the USW does not. This means that if negotiations reach an impasse, an independent arbitrator will ultimately make the final decision for these three unions. However, no one benefits from going through arbitration, and it is always Administration's goal to settle contracts through good faith negotiation. The USW contract is currently under negotiation. It is likely the police and fire union contracts will also be reopened per their terms to address a 19% health insurance premium increase.

Employee by Area



Employee by Type



Staffing

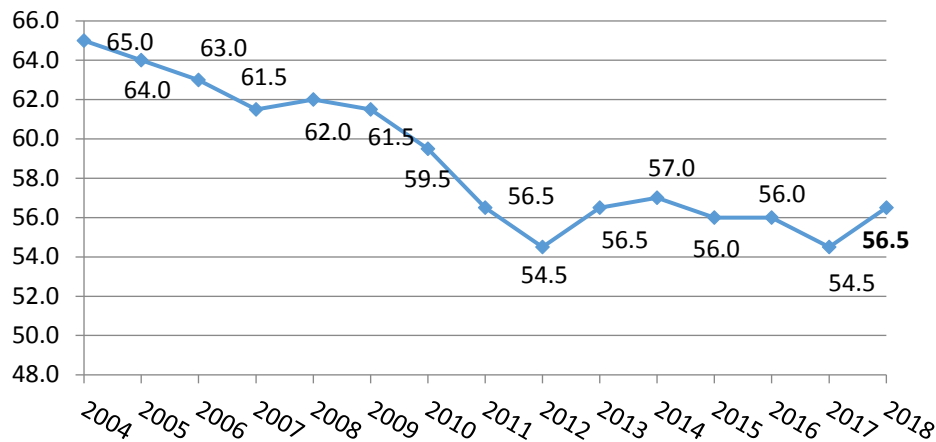
The current year budget calls for an increase of two full-time employees. The City has a unique opportunity to add to the City workforce with no cost. The proposal below shows a small addition to the bottom line of approximately \$7,100 and a net increase of one FTE capacity. Due to a new state law, Public Act 246 of 2016, the State reimburses communities for their full costs associated with operating moveable bridges. The City currently operates the Maple Street bridge with three part-time employees. The budget proposes replacing those three employees with two new full-time DPW employees and one existing full-time employee; and adding one part-time seasonal position as part of the restructuring. MDOT has confirmed this is acceptable.

Staffing Proposal	Scenarios	
Description	Status Quo	Proposed
New FT DPW Employees	0	2
Existing FT DPW Employee	0	1
Existing Bridge Seasonal Employees	3	0
New DPW Seasonal Employee	0	1
Existing Bridge Seasonal Employees	\$30,000	\$0
Existing FT DPW Employee	\$0	\$71,000
Total Existing Cost	\$30,000	\$71,000
New FT DPW Employee	\$0	\$130,000
Additional Seasonal Employee	\$0	\$6,400
Total New Cost	\$0	\$136,400
Total Cost	\$30,000	\$207,400
MDOT Reimbursement	\$30,000	\$106,500
Eliminate Seasonal Bridge		\$30,000
Eliminate City Landscaping Contract		\$7,000
Total New Revenue\Costs Avoided	\$30,000	\$143,500
Net Benefit (Cost)	\$30,000	\$7,100
Net Labor Gain (Nov - Apr)	0 FTE	1 FTE

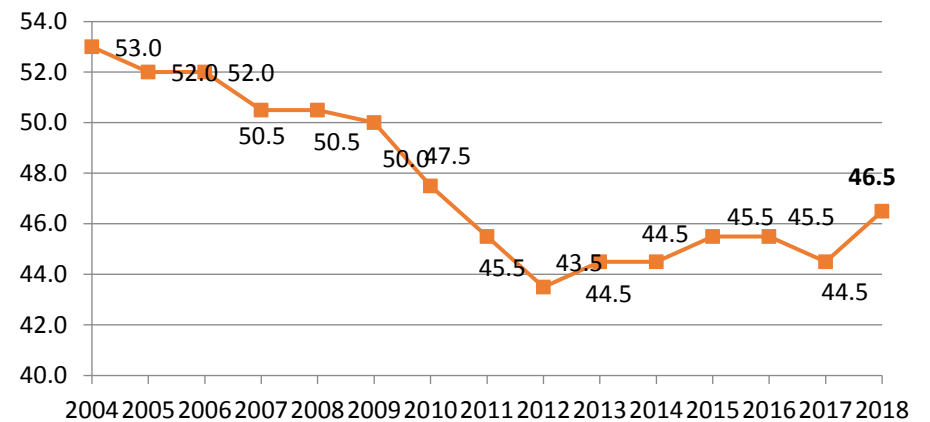
Staffing Trends

Even with the staffing proposal, the City workforce has been reduced by 10.5 employees or 16% from 2004 to 2017. Staffing has been relatively stable since 2013. The biggest reduction has been in upper management where the number of department heads has been reduced from eight to five through consolidation of departmental oversight. Most of the reductions have been the result of attrition, or not replacing an employee when they retire or resign. This budget takes advantage of a unique opportunity to bolster the workforce in an important area. However, recovering the loss of tax base in the City is likely to take several years. This could lead to ongoing financial challenges. Future headcount reduction cannot be ruled out.

Employees

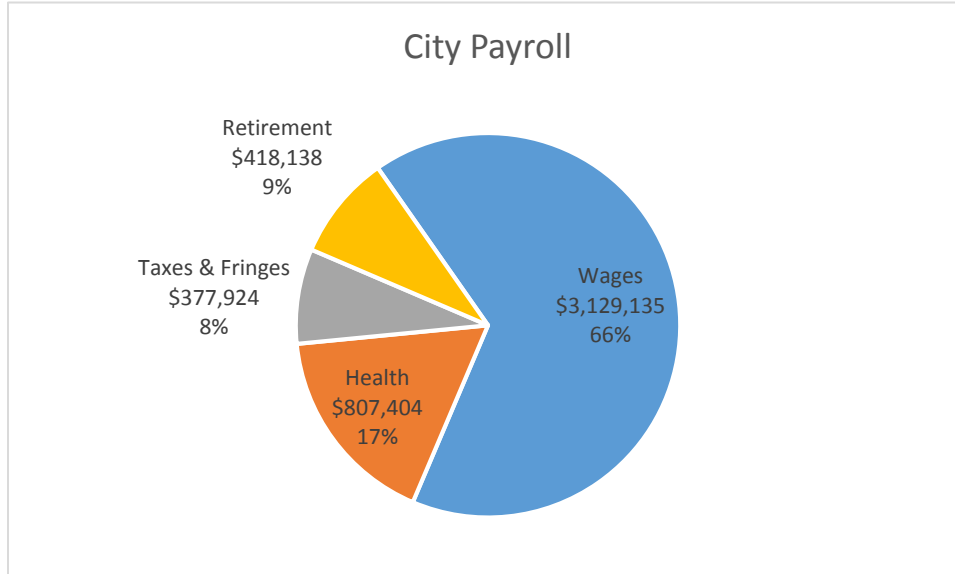


General Fund Employees



Payroll

The charts below show a variety of information about employee wages and benefits City-wide. Each key area is explored in greater detail in the following pages.



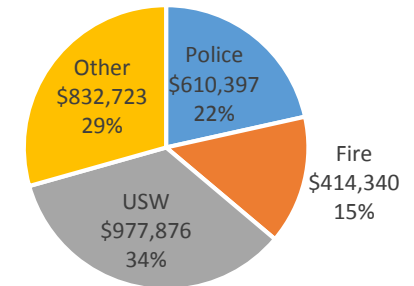
Category	FY 2017 Budget	FY 2018 Budget	Difference	
Wages	\$3,020,274	\$3,129,135	\$108,861	3.6%
Health	\$704,433	\$807,404	\$102,971	14.6%
Taxes & Fringes	\$346,573	\$377,924	\$31,351	9.0%
Retirement	\$300,443	\$418,138	\$117,695	39.2%
Total	\$4,371,723	\$4,732,600	\$360,877	8.3%

Wages

Employee group wages are adjusted annually on July 1, and are adopted as part of the overall budget. Each employee group has an established wage and step schedule. A step schedule is a mechanism by which employees' annual wages are developed. It establishes an introductory wage for a position, and then over a period of years moves employees through a series of wage increases, or steps, as their experience and abilities develop. Eventually, the employee hits the top of the wage scale and no longer receives an annual step increase. Non-union groups have a wage and step scale based on a comprehensive compensation and classification study done several years ago. Union group wage and step scales are based upon collective bargaining. To account for inflation, each wage scale is annually adjusted by an inflationary percentage. The budget includes the negotiated inflation and step increases for each of the four union groups. For the non-union and department directors, the budget includes an inflationary adjustment and applicable step increases.

Group	Total FT Employees	Existing FT Employees	Replace FT Employees	New FT Employee	Wage Scale Inflation	Employees Receiving Steps	Group Overall Increase	Group Overall % Increase
POAM	9	8	1	0	2.00%	2	\$3,245	0.8%
COAM	3	3	0	0	2.00%	1	\$5,471	3.0%
IAFF	8	7	1	0	2.00%	1	(\$2,231)	-0.5%
USW	23	20	1	2	2.00%	6	\$93,169	10.5%
Director	5	4	1	0	2.00%	2	(\$1,482)	-0.4%
General	7	7	0	0	2.00%	4	\$5,082	1.3%
Manager	1	1	0	0	n/a	n/a	\$2,831	2.9%
Total	56	50	4	2		16	\$106,085	3.9%
Total Excluding New Employees							\$30,259	1.1%

Full-Time Wages



Pension

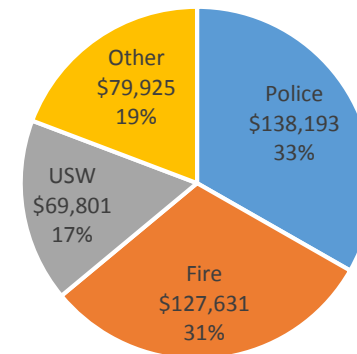
The City is a member of the Municipal Employees' Retirement System of Michigan (MERS). Most of the City's employees are covered under one of a number of defined benefit (DB) retirement plans administered through MERS. MERS calculates an annual contribution for each DB plan. Overall, as of the most recent actuarial valuation, the retirement plan is funded at 85.4%. This funded percentage has generally declined over time, primarily due to the market crash of 2008, and more recently, an updated MERS experience study. This equates to a higher required annual City contributions. The City has budgeted for the full impact of these new assumptions rather than spreading them over five years as MERS allows, in order to strengthen the funded position. The table below shows relevant pension information.

FY: 2018

AAV: 12/31/2015

Division	Percent Funded	Normal Cost	Required Cost	Actuarial Annual Cost
01 Non-Union	81.7%	5.41%	13.05%	\$98,976
02 POAM (Closed)	86.4%		\$7,720/mth	\$92,640
05 IAFF	69.0%	10.26%	27.96%	\$133,716
10 USW (Closed)	100.4%		\$3,116/mth	\$37,392
11 USW New	73.7%	3.50%	3.56%	\$13,260
20 COAM (Closed)	91.2%		\$2,481/mth	\$29,772
21 POAM New	100%	14.61%	14.40%	\$13,476
Overall	85.4%			\$419,232

MERS Pension Cost



The normal cost (as a percent of payroll) is the ongoing cost of funding the retirement benefit. The required cost is the normal cost plus the unfunded accrued liability expressed in a percent of payroll or fixed monthly amount for closed divisions. The current unfunded liability is \$2,737,899. The sizeable increase from the prior year was due to a experience study that reduced rate of return assumptions, extended the mortality table and moved to a fixed amortization period. Absent these changes, the City would have been funded at 89% instead of 85%. The City has made some changes to pensions for new hires in order to protect the pension system and reduce costs and long-term liabilities in the future. This has already been done for the USW, POAM and COAM which all have reduced multipliers. The City will consider making similar reforms to the IAFF and non-union.

Employees also have access to a 457 deferred compensation plan administered by ICMA.

Health Insurance

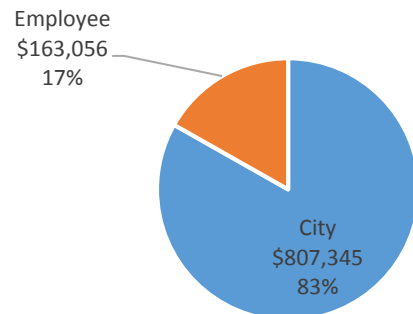
The City provides health insurance to all full-time employees. Coverage is provided through Blue Cross Blue Shield of Michigan (BCBS). It has been a long-standing City objective to provide quality, affordable health coverage to employees as a method of attracting and retaining talented staff. However, maintaining quality coverage has become more difficult. Health insurance is the second biggest employee expense behind wages. As is the case throughout the country, the City has seen tremendous increases in the cost of health insurance. The City has been proactive in addressing these cost increases through changing coverage and requiring more employee cost sharing. Unfortunately, the expected increase for FY 2018 is 19%. This will require conversations with the employee groups to discuss potential changes to the health plan as the cost increase to employees would be prohibitive.

In addition to health insurance, the City provides dental, vision and ancillary health services to employees. The total cost of all health coverages is \$970,401, of which the City pays 83% and the employees 17%. The amount the employees pay is based on contractual language that is also applied to Directors and General employees. In 2011, a State law was passed that limits the amount that public employers can pay for health insurance. The City is complying with this requirement. The maximum the City can pay for “health costs” as defined by the State (based on current enrollment) is \$726,212. The City anticipates paying \$715,567 for these costs which is \$10,645 or 1.5% below the state hard cap. Absent changes, we are expecting to bump into this cap in future years, requiring various plan adjustments.

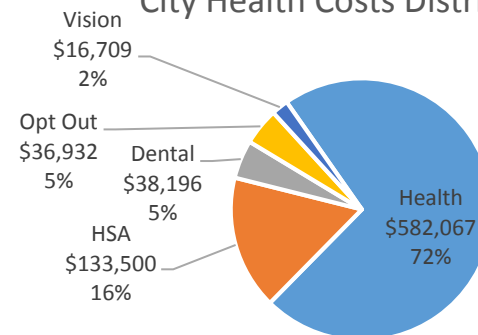
Health	BCBS Simply Blue HSA 2000/4000 0%
Prescription	BCBS Simply Blue HSA LG Triple Tier Copay
HSA	Family\Double \$3,000, Single \$1,500
Dental	Delta Dental PPO 50%
Vision	VSP Exam & Accessory Discount
Ancillary	healthE Shopper, TelaDoc

Monthly Health Costs			
Category	Single	Double	Family
City	\$557	\$1,256	\$1,507
Employee	\$114	\$263	\$321
Total	\$671	\$1,519	\$1,828
Employee %	17.0%	17.3%	17.6%

Total Health Costs Distribution



City Health Costs Distribution



Fringes

Fringes include such items as social security, medicare, worker's compensation, unemployment and life insurance. Both our unemployment tax and worker's compensation insurance experienced increases due to changing factors and two new employees.

Post-Employment Benefits

The City generally provides a contribution of \$250 per month for retirees from retirement age until eligibility for Medicare towards health insurance. Public Safety groups can elect to take this payment as cash, where the other groups cannot. The City is working toward getting all retirees off the City plan and using the opt out instead. This self-imposed hard cap has generally limited the City's contribution for this benefit to about \$20,000 per year. This is in stark contrast to many other communities where retiree healthcare has created multi-million dollar unfunded liabilities. Because of the nature of this benefit, the City funds it on a pay as you go basis. This benefit has been eliminated for new hires in the USW, COAM, POAM and IAFF.

Conclusion

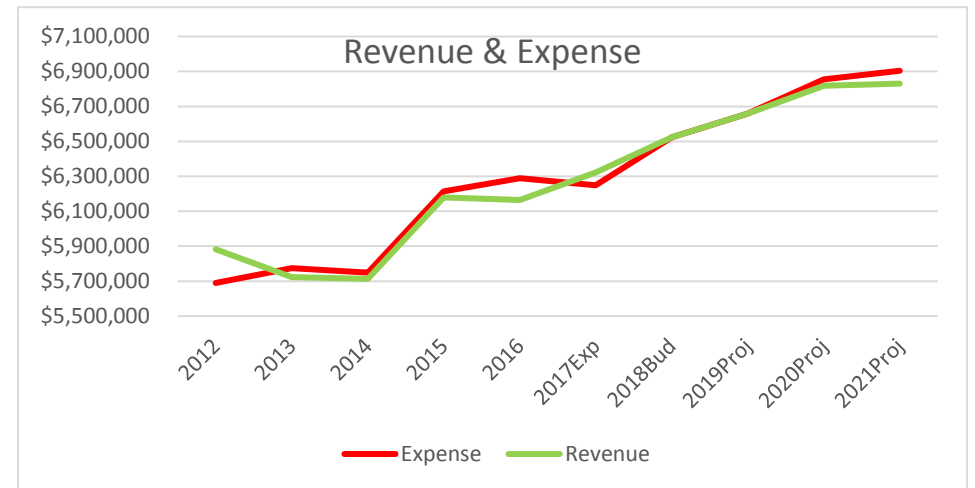
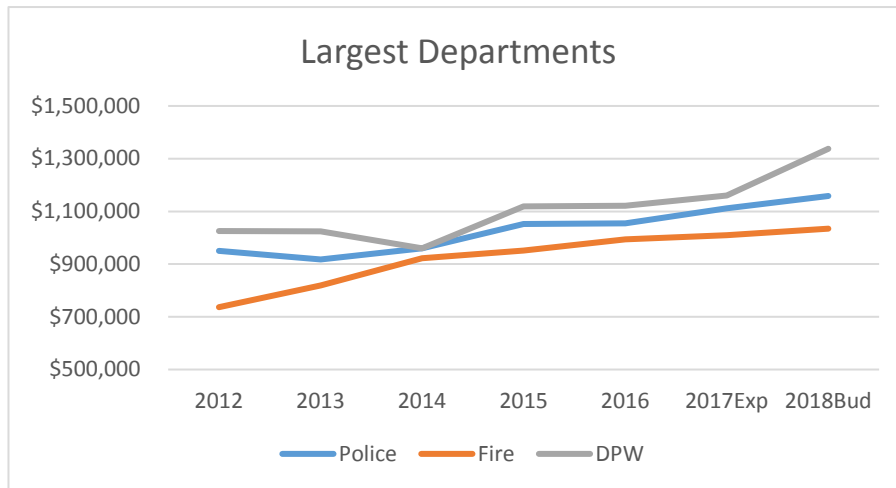
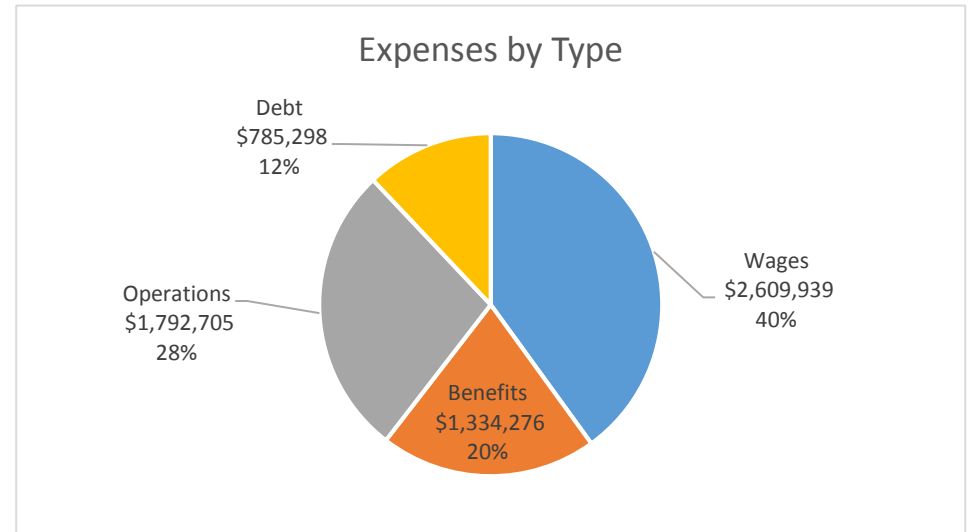
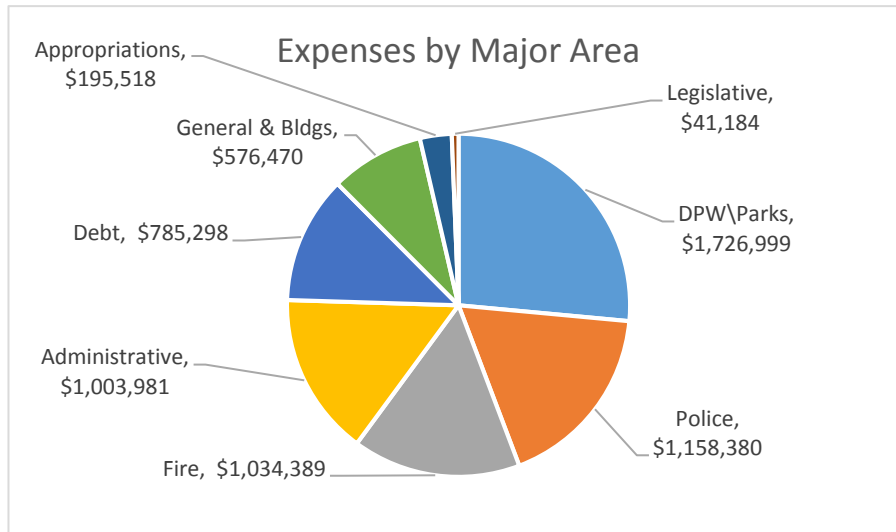
The City's employees are its most valued asset. None of the high level of services that Manistee residents enjoy would be possible without the City's highly trained and dedicated workforce. The proposed budget has treated employees fairly and equitably.

General Fund



Overview

The general fund is the primary City operating fund. It is through this fund where most City services are provided. Financial stability in the general fund is absolutely vital if high levels of service are to be maintained. Unfortunately, the City, like most Michigan communities, has been squeezed on both revenues and expenses. This has caused the general fund to come under financial strain in recent years, making service provision extremely challenging. However, the proposed budget makes real progress toward regaining stability.



GENERAL FUND	2016 Actual	2017 Budget	Expected	Proposed	2018 Adopted	Difference	Change	2019 Projected	2020 Projected	2021 Projected
TOTAL REVENUES	\$ 6,164,036	\$ 6,181,930	\$ 6,322,254	\$ 6,522,703	\$ 6,522,703	\$ 340,773	5.5%	\$ 6,658,080	\$ 6,818,946	\$ 6,830,438
TOTAL GENERAL OPERATING	\$ 464,200	\$ 358,816	\$ 371,216	\$ 375,416	\$ 375,416	\$ 16,600	4.6%	\$ 376,112	\$ 389,740	\$ 400,723
TOTAL LEGISLATIVE	\$ 57,153	\$ 41,155	\$ 38,532	\$ 41,184	\$ 41,184	\$ 29	0.1%	\$ 41,423	\$ 41,668	\$ 41,917
TOTAL MANAGER	\$ 199,627	\$ 212,084	\$ 198,485	\$ 221,992	\$ 221,992	\$ 9,908	4.7%	\$ 228,745	\$ 236,313	\$ 243,424
TOTAL CLERK	\$ 186,420	\$ 200,090	\$ 206,855	\$ 204,085	\$ 204,085	\$ 3,995	2.0%	\$ 212,441	\$ 218,932	\$ 225,135
TOTAL FINANCE	\$ 243,340	\$ 271,245	\$ 269,850	\$ 284,542	\$ 284,542	\$ 13,297	4.9%	\$ 287,379	\$ 298,929	\$ 310,937
TOTAL ASSESSOR	\$ 88,507	\$ 82,175	\$ 84,450	\$ 85,865	\$ 85,865	\$ 3,690	4.5%	\$ 87,992	\$ 86,989	\$ 89,126
TOTAL FACILITIES	\$ 134,940	\$ 200,555	\$ 188,800	\$ 201,054	\$ 201,054	\$ 499	0.2%	\$ 205,732	\$ 212,253	\$ 219,043
TOTAL ATTORNEY	\$126,849	\$88,000	\$86,300	\$86,000	\$86,000	(\$2,000)	-2.3%	\$86,292	\$88,018	\$89,778
TOTAL ENGINEER	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$0	0.0%	\$12,000	\$12,000	\$12,000
TOTAL BOARDS & COMMISSIONS	\$ 6,812	\$ 11,850	\$ 7,640	\$ 10,150	\$ 10,150	\$ (1,700)	-14.3%	\$ 10,096	\$ 10,296	\$ 10,500
TOTAL POLICE	\$ 1,055,034	\$ 1,099,418	\$ 1,111,396	\$ 1,158,380	\$ 1,158,380	\$ 58,963	5.4%	\$ 1,183,490	\$ 1,230,004	\$ 1,275,860
TOTAL FIRE	\$ 994,016	\$ 1,003,962	\$ 1,009,270	\$ 1,034,389	\$ 1,034,389	\$ 30,426	3.0%	\$ 1,073,550	\$ 1,106,175	\$ 1,147,103
TOTAL DPW	\$ 1,120,978	\$ 1,156,837	\$ 1,160,059	\$ 1,337,551	\$ 1,337,551	\$ 180,714	15.6%	\$ 1,368,432	\$ 1,405,931	\$ 1,437,864
TOTAL PLANNING & ZONING	\$ 159,695	\$ 94,759	\$ 93,310	\$ 99,347	\$ 99,347	\$ 4,588	4.8%	\$ 103,580	\$ 108,675	\$ 113,983
TOTAL PARKS	\$ 486,869	\$ 366,398	\$ 388,160	\$ 389,448	\$ 389,448	\$ 23,050	6.3%	\$ 397,532	\$ 410,997	\$ 418,442
TOTAL APPROPRIATIONS	\$ 177,518	\$ 247,518	\$ 247,518	\$ 195,518	\$ 195,518	\$ (52,000)	-21.0%	\$ 190,518	\$ 198,518	\$ 196,018
TOTAL DEBT SERVICE	\$ 774,335	\$ 775,066	\$ 775,066	\$ 785,298	\$ 785,298	\$ 10,232	1.3%	\$ 793,610	\$ 799,323	\$ 671,673
TOTAL EXPENSES	\$ 6,288,293	\$ 6,221,929	\$ 6,248,907	\$ 6,522,702	\$ 6,522,702	\$ 300,773	4.8%	\$ 6,659,423	\$ 6,855,260	\$ 6,904,027
Total Surplus(Deficit)	\$ (124,258)	\$ (39,999)	\$ 73,347		\$ 0			\$ (1,344)	\$ (36,313)	\$ (73,589)

Financial Reserves

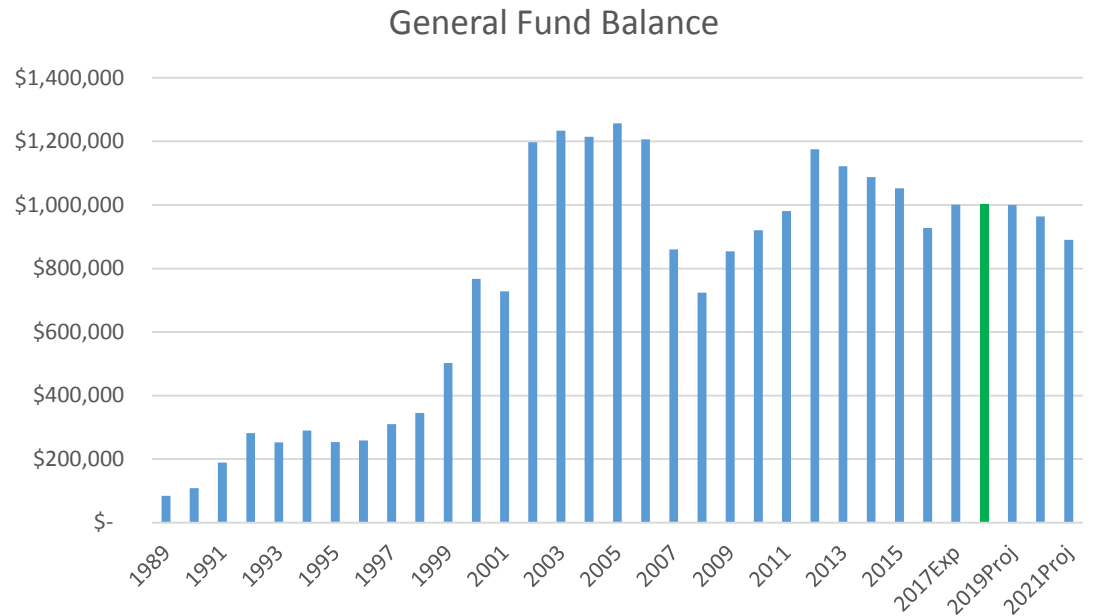
One key to financial stability is adequate, healthy financial reserves or fund balance. This is true for three primary reasons. First, a reasonable fund balance provides insurance against natural disasters and provides resources to address such events. The severe storm in June, 2008 is the best example.

Second, an appropriate fund balance provides an opportunity for investment earnings. Investment earnings can reduce the demand on other revenue sources and provide further stability for municipal operations. Interest rates are starting to trend up after being at their lowest level ever because of the actions of the Federal Reserve, and interest income is expected to slowly recover.

Third, a fund balance provides stability in the event of an economic downturn, one-time or nonrecurring expenses, volatile commodity prices and unexpected budget variances. An adequate cash reserve provides an opportunity to absorb these items without dramatically altering the services provided. The City has tapped the fund balance somewhat in the recent past to address issues such as tax refunds, defending tax appeals, high overtime related to record snowfall, record gasoline prices and health insurance.

However, as a rule Council and Administration have made the structural changes necessary to balance the budget without unduly depleting its reserves. Projections indicate additional structural changes, or more likely reprioritizing spending, will be needed in a few years. This year, the budget is balanced, but slack revenues and ever rising costs will continue to be a challenge in the years ahead.

Council has established a General fund balance target of 20% of prior year operating expense, including transfers out for operations and general fund paid debt service. Pass through debt service is excluded. Depending on the expenses of the previous year, any percentage over 20% may be transferred into the Capital Improvement fund. In the past, \$410,000 was transferred. The June 30, 2016 audit showed a general fund balance of \$927,540 a decrease of \$124,252 from the prior year. The fund balance was at 16.2%, or about \$215,000 less than the target goal. Some of this should be made up in FY 2017, as a surplus is expected.



Revenue

Description

General fund revenue comes from a number of sources, primarily local property taxes and sales taxes passed through to the City from the State in the form of revenue sharing. Interfund transfers in the form of reimbursements and administration fees are also important sources of revenue. Total budgeted revenue is **\$6,522,702**, an increase of **\$340,772** or **5.5%** from the prior budget.

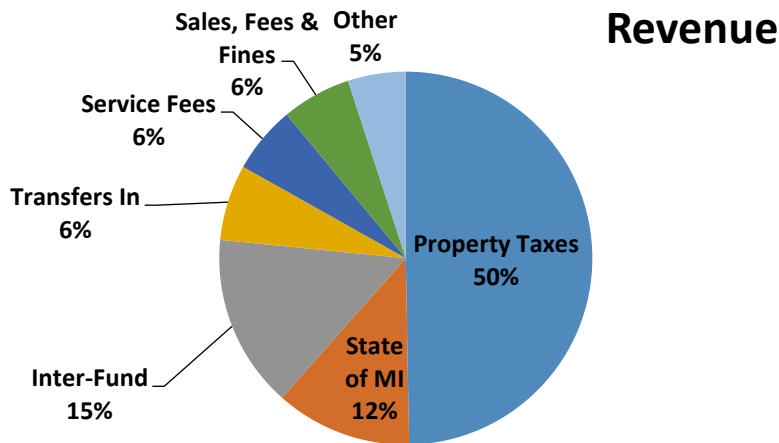
Issues

The two biggest sources of general fund revenue, property taxes and revenue sharing are not growing at an adequate rate to offset rising costs and maintain service levels and funding priorities moving forward. Although the tax base is showing growth this year, it is still not at the pace we would like to see. Likewise, the State has shown no interest in increasing revenue sharing to local communities, although there is a significant lobbying push to do so.

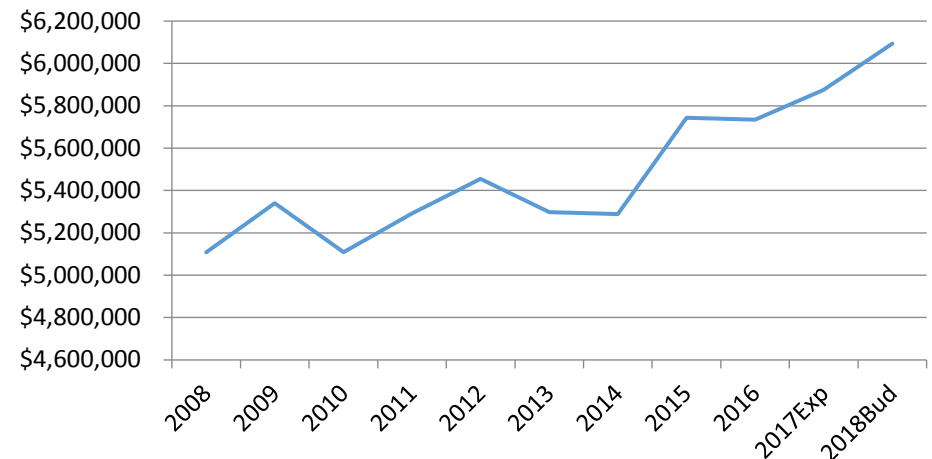
This has been partially addressed in the proposed budget. On the revenue side, the budget phases out or eliminates indirect subsidies to other funds such as refuse and streets. The General fund can no longer afford this and the budget reimburses the general fund for these costs, while maintaining refuse service and funding an aggressive street program.

Analysis & Infographics

Revenue is comprised of a variety of sources. Operating revenue has grown at an average rate of 1.9% per year since 2008.



Total Operating Revenue

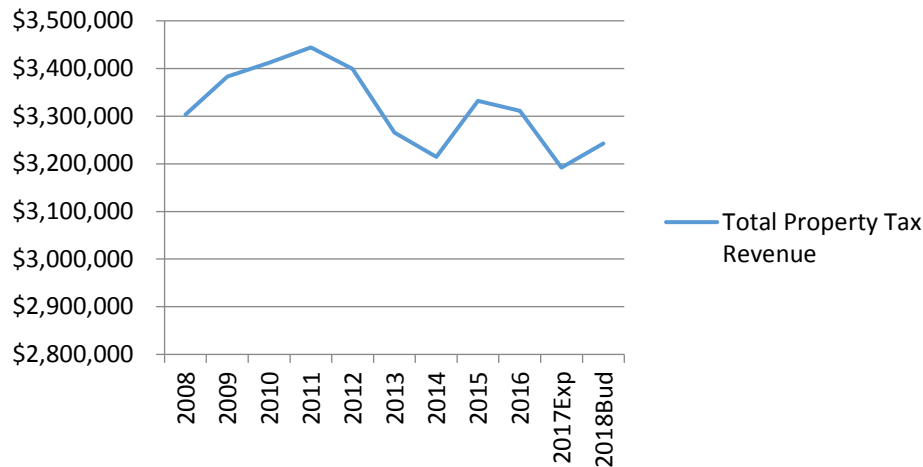


Property Taxes

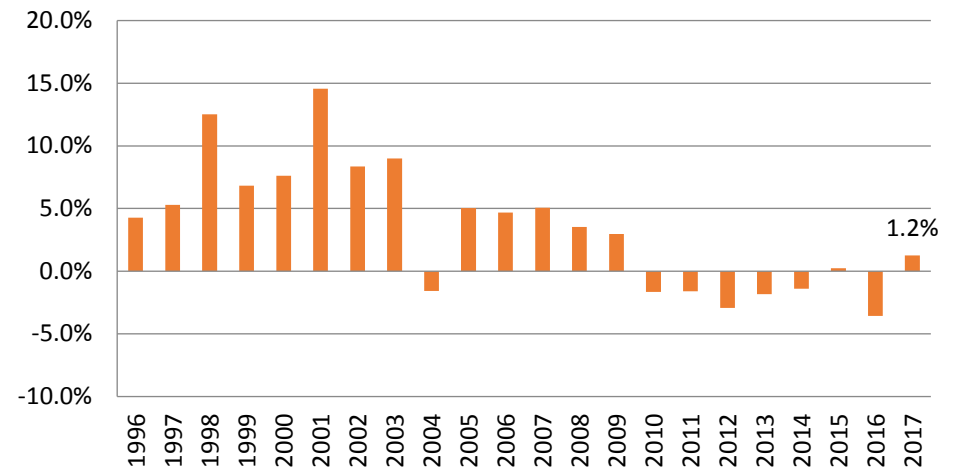
The City has very little ability to raise new revenues in the General fund which presents a significant challenge. The City is currently levying the maximum operating millage allowed at 17.7612 mills. The City Charter authorizes 20.00 mills, but this has been reduced over the years by Headlee millage rollbacks. The street ad-hoc committee discussed pursuing a Headlee override dedicated for street improvements in their January 2015 report. They felt a millage would be necessary at some future point once progress on streets is shown and the overall funding situation becomes clearer. This is an option that needs to remain on the table, although it is not being pursued in the proposed budget as street funding has been enhanced by both State of Michigan tax law and funding changes, and additional internal resources.

Total property tax revenue is down from 2008 levels. Taxable value rose slightly this year but has declined 6 out of the last 8 years and is down 11% since 2009.

Total Property Tax Revenue



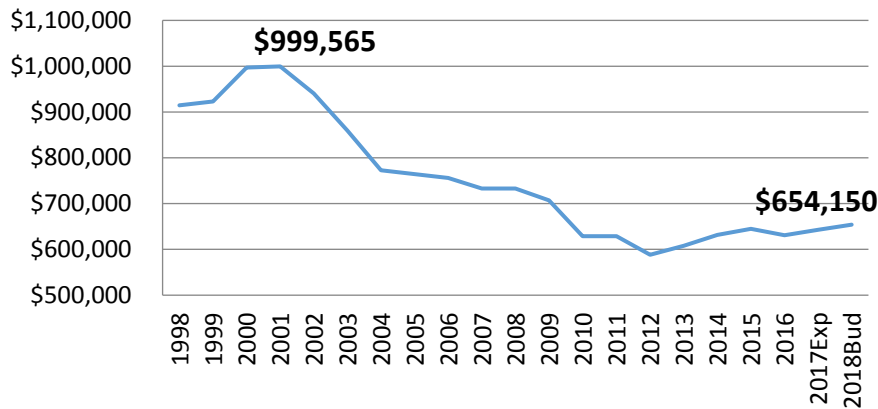
Taxable Value Growth Rate



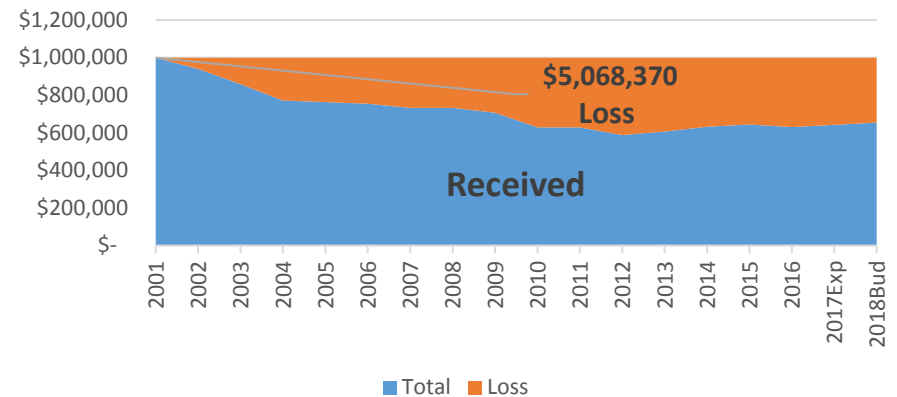
Revenue Sharing

The City used to receive both constitutional and statutory revenue sharing. Statutory revenue sharing has since been eliminated and replaced with the City, Village and Township Revenue Sharing program (CVTRS). Total revenue sharing has declined by 35% or \$345,000 since 2001. Total loss of statutory and/or EVIP payments since 2001 is over \$5,000,000. Many third party observers have stated that the State’s municipal finance system is broken. The Michigan Municipal League has done extensive research on the matter and produced some interesting revenue sharing statistics. Since 2002, Michigan is the only State that spends less on Local Government than it did in 2002. Although there is a concerted effort among local officials to lobby the legislature for additional revenue sharing, efforts have so far fallen flat. The City is hopeful, but not optimistic, that this effort will succeed.

State Revenue Sharing

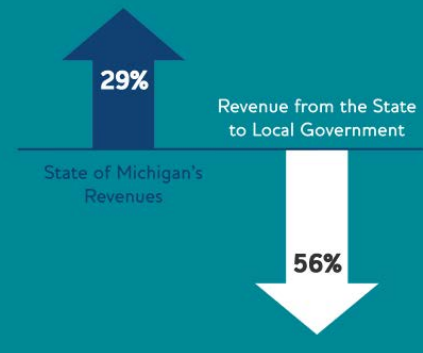


Loss of Revenue Sharing



Did you know?

That according to the U.S. Census Bureau, from 2002 – 2012 revenues for the State of Michigan increased 29%, but revenues the state provided to local government for local services like police, fire, and recreation, decreased by more than 56%.



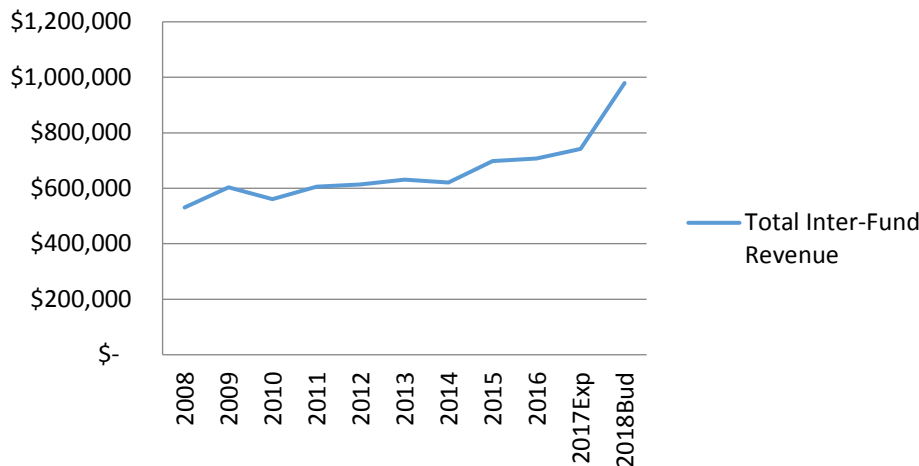
Inter-Fund Revenue (Charge for Services)

These charges comprise about 15% of the general fund budget and have become an increasingly important part of the revenue picture. In an effort to move the general fund budget toward sustainability in the face of a difficult property tax and state revenue climate, this budget makes significant adjustments in this area. The adjustments reduce or remove the indirect subsidy that the general fund has been providing to other funds. It no longer has the luxury or option of doing so. The impact of this will be discussed in the budgets of the impacted funds.

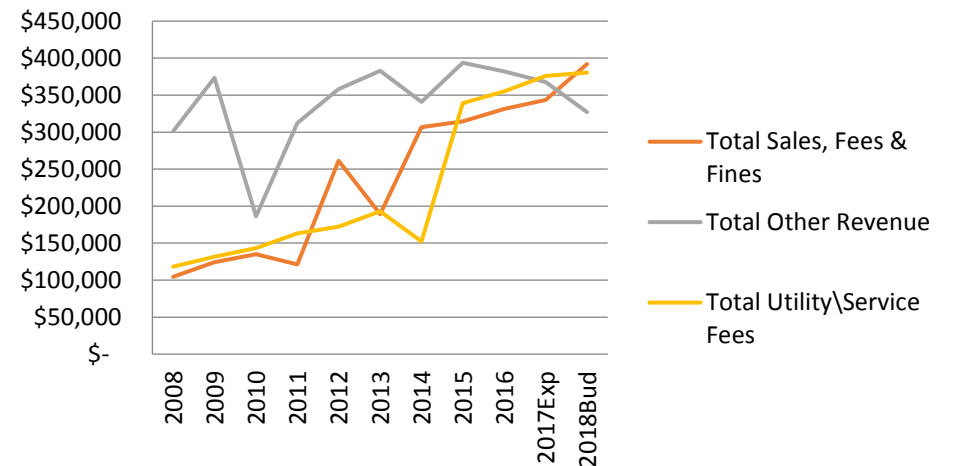
Sales, Utility & Other Revenue

These categories comprise a combined 17% of the budget. They generally grow with inflation over time, but can be impacted by changes in the level or amount of services being provided; or the price of the services. For example, the budget assumes that the City will take over and be compensated by the DDA for landscaping services and that EMS transport revenues will increase. Cable franchise fees are also expected to increase.

Total Inter-Fund Revenue



Total Sales, Utility & Other Revenue



Assumptions & Notes

Total revenue increased **\$340,773** or **5.5%** from the prior year budget.

Property Tax Revenue: Property tax and related revenue increased **\$45,932** or **1.4%** from the prior year budget. This category includes taxes, penalties and interest and the administration fee. Taxable value in the City showed a slight increase as property values and assessments rise.

Utility\Service Fee Revenue: These revenues increased **\$4,703** or **1.3%** from the prior year budget. This revenue relates to the service fees charged to water and sewer users outside of the city limits, the utility ownership fee and the PILOT fees paid by Manistee Place, Rietz Park Village and others. The Manistee Township PILOT phase-out is included per the contract.

State of Michigan Revenue: State revenue increased **\$5,023** or **0.7%** from the prior year budget. This category includes revenue sharing, CVTRS, liquor license fees and state grants. It also includes the Local Community Stabilization share, which is State reimbursement for lost personal property taxes. The calculation of this fee is complex and subject to revision by the State.

Inter-Fund Revenue: Inter-fund revenue increased **\$237,247** or **32.0%** from the prior year budget. This category includes various reimbursements to the General fund for personnel, equipment and administration. Indirect subsidies to various funds are being phased out or eliminated which accounts for the bulk of the year-over-year increase. Administration fees are set at 8.0% of revenues for water and sewer, 7% for refuse and boat launch and 5% for the Marina due to its ongoing revenue struggles. These rates are in the generally accepted range of 5% - 10% typically seen.

Sales, Fees & Fines: Sales, fees and fines increased **\$44,675** or **12.9%** from the prior year budget. Accumed's estimate of Advanced Life Support Transport fees are projected to increase, as are fines and forfeits. The City also anticipates providing landscaping services to the DDA.

Other Revenue: Other revenue increased **\$20,543** or **6.7%** from the prior year budget. This category includes interest income, franchise fees, reimbursement, lease income, refunds and the like. The increase is due primarily to higher franchise fees and interest income.

Transfers In: Transfers in decreased **\$17,349** or **-3.9%** from the prior year budget. There was a one time Ramsdell Theatre fund balance refund of \$20,000 last year.

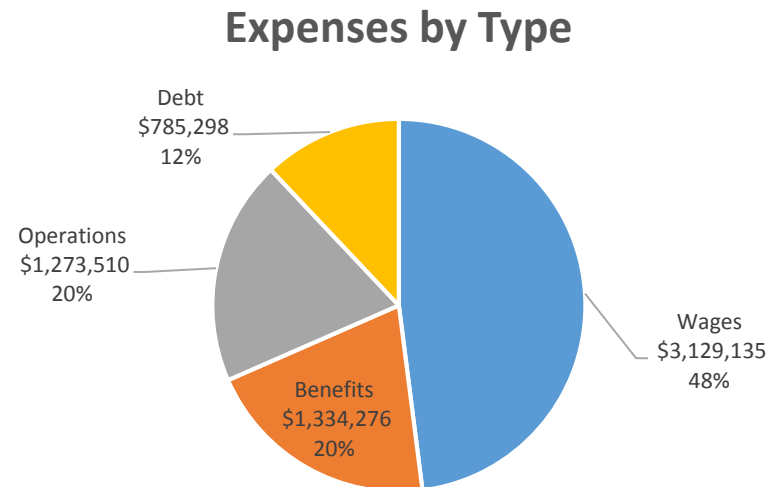
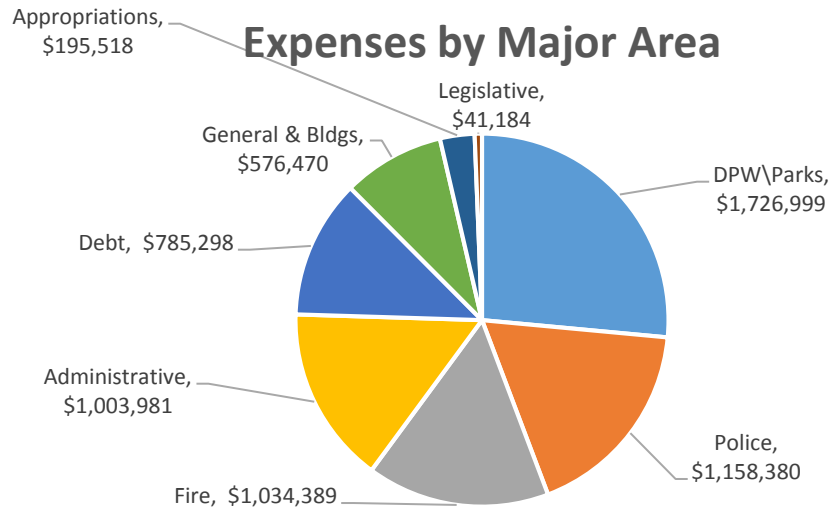
<u>Detail</u>	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
000 Revenues										
402.000 Real & Pers Prop Tax	\$3,017,104	\$2,859,958	\$2,925,000	\$2,956,946	\$2,956,946	\$96,988	3.4%	\$3,016,085	\$3,091,488	\$3,153,317
411.000 Delinquent Real Prop Tax	178,552	219,206	154,000	176,693	176,693	-42,512	-19.4%	\$179,344	\$183,827	\$187,504
420.000 Delinquent Pers Prop Tax	8,641	10,856	10,000	5,838	5,838	-5,018	-46.2%	\$5,000	\$4,000	\$3,000
445.000 Tax Penalties & Interest	18,554	22,427	18,000	17,235	17,235	-5,192	-23.2%	\$17,494	\$17,931	\$18,290
447.000 Tax Administration Fee	88,045	84,509	85,000	86,175	86,175	1,666	2.0%	\$87,468	\$89,654	\$91,448
Total Property Tax Revenue	\$ 3,310,896	\$ 3,196,956	\$ 3,192,000	\$ 3,242,888	\$ 3,242,888	\$ 45,932	1.4%	\$ 3,305,391	\$ 3,386,900	\$ 3,453,558
639.000 Utility Ownership Fee	\$170,931	\$183,167	\$183,167	\$199,760	\$199,760	\$ 16,593	9.1%	\$183,200	\$189,612	\$196,248
640.000 Payment In Lieu of Taxes	184,194	192,550	192,550	180,821	180,821	-11,729	-6.1%	\$156,876	\$137,010	\$117,022
Total Utility\Service Fees	\$ 355,125	\$ 375,717	\$ 375,717	\$ 380,581	\$ 380,581	\$ 4,864	1.3%	\$ 340,076	\$ 326,622	\$ 313,271
501.000 Federal Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
539.000 State Grant Revenue	1,087	7,000	10,000	10,000	10,000	3,000	42.9%	\$0	\$0	\$0
539.002 Crim Just Training Grant	2,544	2,300	2,500	2,300	2,300	0	0.0%	\$2,300	\$2,300	\$2,300
573.000 Local Community Stabilization	5,536	90,000	190,500	97,050	97,050	7,050	7.8%	\$98,020	\$99,000	\$99,990
574.000 State Share Liquor Tax	8,463	8,400	8,400	8,400	8,400	0	0.0%	\$8,400	\$8,400	\$8,400
575.000 State Shared Revenue	465,289	493,841	478,000	488,813	488,813	-5,028	-1.0%	\$501,033	\$513,559	\$526,398
575.001 State CVTRS	165,337	165,336	165,000	165,337	165,337	1	0.0%	\$166,990	\$168,660	\$170,347
Total State Revenue	\$ 648,255	\$ 766,877	\$ 854,400	\$ 771,900	\$ 771,900	\$5,023	0.7%	\$776,744	\$791,920	\$807,435
627.000 Charge for Serv - Bldg. Insp.	\$715	\$0	\$25	\$0	\$0	\$0		\$0	\$0	\$0
628.000 Charge for Serv - Boat Ramp	2,381	2,591	2,591	2,660	2,660	69	2.7%	\$2,846	\$3,045	\$3,259
630.000 Charge for Serv - Local St.	81,000	83,430	83,430	147,000	147,000	63,570	76.2%	\$151,520	\$156,194	\$161,026
631.000 Charge for Serv - Major St.	206,000	212,180	212,180	332,500	332,500	120,320	56.7%	\$343,670	\$355,244	\$367,238
632.000 Charge for Serv - Marina	10,573	11,080	11,080	11,084	11,084	4	0.0%	\$11,190	\$11,275	\$11,363
634.000 Charge for Serv - Refuse	85,814	89,306	89,306	118,347	118,347	29,041	32.5%	\$133,572	\$139,044	\$167,923
635.000 Charge for Serv - W&S	320,496	343,438	343,438	367,519	367,519	24,081	7.0%	\$413,502	\$427,975	\$442,954
Total Inter-Fund Revenue	\$ 706,979	\$ 742,025	\$ 742,050	\$ 979,110	\$ 979,110	\$ 237,085	32.0%	\$ 1,056,300	\$ 1,092,777	\$ 1,153,763
450.000 Business Registration	\$1,125	\$1,125	\$800	\$1,500	\$1,500	\$375	33.3%	\$1,530	\$1,561	\$1,592
485.000 Permits	5,720	6,500	9,000	7,000	7,000	500	7.7%	\$7,280	\$7,571	\$7,874
626.000 Charge for Service	30,770	31,200	31,400	60,000	60,000	28,800	92.3%	\$70,760	\$81,177	\$91,602
629.000 Charge for Serv - Inspections	30	0	0	0	0	0		\$0	\$0	\$0
636.000 Charge for Serv - Transport	264,087	278,000	275,000	290,000	290,000	12,000	4.3%	\$304,500	\$319,725	\$335,711
642.000 Sales	4,404	4,500	3,500	3,500	3,500	-1,000	-22.2%	\$3,553	\$3,606	\$3,660
655.000 Fines & Forfeits	25,437	26,000	24,000	30,000	30,000	4,000	15.4%	\$30,450	\$30,907	\$31,370
Total Sales, Fees & Fines	\$ 331,573	\$ 347,325	\$ 343,700	\$ 392,000	\$ 392,000	\$ 44,675	12.9%	\$ 418,073	\$ 444,547	\$ 471,809

<u><i>Detail</i></u>	2016	2017		2018				2019	2020	2021
000 Revenues	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
490.000 Franchise Fees	\$113,440	\$110,000	\$114,000	\$119,000	\$119,000	\$9,000	8.2%	\$123,760	\$128,710	\$133,859
570.000 Local Grants	0	0	0	0	0	0		0	0	0
664.000 Interest Income	468	1,147	6,000	8,001	8,001	6,854	597.6%	3,000	3,000	3,000
667.000 Rental Income	6,150	5,100	5,900	5,650	5,650	550	10.8%	5,350	5,450	5,850
668.000 Riverfront Lease Income	21,470	22,112	22,112	22,112	22,112	0	0.0%	22,444	22,780	23,122
671.000 Other Revenue	91	500	0	500	500	0	0.0%	500	500	500
674.000 Contributions\Donations	1,850	2,000	2,000	2,000	2,000	0	0.0%	2,000	2,000	2,000
676.000 Reimbursements	165,816	144,550	158,050	153,475	153,475	8,925	6.2%	151,000	150,700	13,000
687.000 Refunds	61,688	20,000	51,859	16,214	16,214	-3,786	-18.9%	16,214	16,214	16,214
688.000 Refunds - W.C. Premium	530	1,000	0	0	0	-1,000	-100.0%	0	0	0
695.000 Insurance Settlement	10,669	0	7,700	0	0	0		0	0	0
Total Other Revenue	\$ 382,172	\$ 306,409	\$ 367,621	\$ 326,952	\$ 326,952	\$ 20,543	6.7%	\$ 324,268	\$ 329,355	\$ 197,545
699.000 Transfers In	\$429,035	\$446,621	\$446,766	\$429,272	\$429,272	(\$17,349)	-3.9%	\$425,910	\$426,022	\$425,423
Total Transfers In	\$ 429,035	\$ 446,621	\$ 446,766	\$ 429,272	\$ 429,272	\$ (17,349)	-3.9%	\$ 425,910	\$ 426,022	\$ 425,423
TOTAL REVENUES	\$ 6,164,036	\$ 6,181,930	\$ 6,322,254	\$ 6,522,702	\$ 6,522,702	\$ 340,772	5.5%	\$ 6,646,761	\$ 6,798,143	\$ 6,822,804

Expenses

Description

General fund expenses consist of wages, benefits, operational expenses and debt service. It covers a variety of departments including Legislative, Police, Fire & EMS, Public Works, Administration, Appropriations and Debt Service. Total budgeted expense is **\$6,522,702**, an increase of **\$300,773** or **4.8%** from the prior budget. The budget is balanced and does not draw down fund reserves.



Issues

Cost pressures on the general fund continue to pose challenges. This year, the budget faced significant increases in both health insurance and pension costs. Administration will be working with the employee groups to revisit health insurance. Different plan structures and cost saving measures will be explored. MERS retirement contributions are increasing due to changes in MERS actuarial methods and investment returns falling short of the target over time, in spite of relatively modest benefits and past reforms. See the **Employees** section of the budget for further details.

Legislative

Description

The City Council is the governing body for the City of Manistee. The council consists of seven members who serve two-year terms. Members are nominated by district but elected at large by voters. Elections are nonpartisan. Terms are staggered with districts 1, 3, 5 and 7 elected one year while districts 2, 4 and 6 are elected the next year. Once seated after an election, Council elects a mayor from among their members. The mayor is the city's chief executive official and presides over meetings of the council. The City has two voting precincts. The Legislative department accounts for the expenses of City Council. It includes things such as compensation, fringes, travel & training expense, MML membership and supplies.

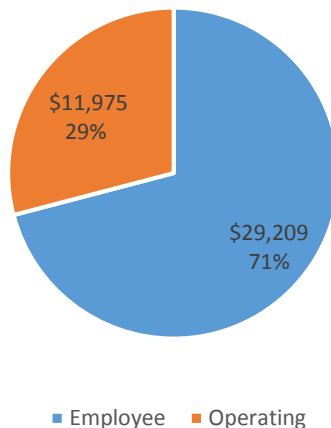
Analysis & Infographics

The large operating spike in FY 2016 was due to the new City Manager search.

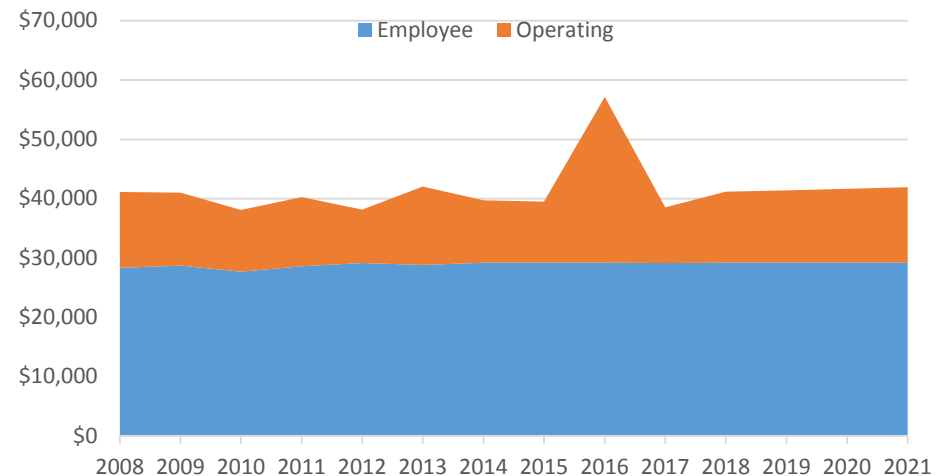
Assumptions & Notes

Total costs increased **0.1%** from the prior year budget. Employee costs were flat from the prior year budget. Council previously rejected a wage increase recommended by the Compensation Commission. Operational costs decreased slightly from the prior year budget.

Legislative Expenses



Legislative Trend



<u>Details</u>	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
101 Legislative										
702.000 Salaries	\$ 27,052	\$ 27,052	\$ 27,000	\$ 27,052	\$ 27,052	\$ -	0.0%	\$ 27,052	\$ 27,052	\$ 27,052
712.001 Costs - Social Security	1,677	1,677	1,700	1,677	1,677	0	0.0%	\$ 1,677	\$ 1,677	\$ 1,677
712.002 Costs - Medicare	393	392	400	392	392	0	0.0%	\$ 392	\$ 392	\$ 392
712.007 SUTA	0	0	0	0	0	0		\$ -	\$ -	\$ -
712.009 Costs - Work Comp	62	84	60	87	87	4	4.3%	\$ 87	\$ 87	\$ 87
Employee Costs	\$ 29,184	\$ 29,205	\$ 29,160	\$ 29,209	\$ 29,209	\$4	0.0%	\$ 29,209	\$ 29,209	\$ 29,209
728.000 SUPPLIES - Operating	\$ 20,879	\$ 1,353	\$ 893	\$ 2,225	\$ 2,225	\$ 872	64.4%	\$ 2,270	\$ 2,315	\$ 2,361
860.000 Travel & Training	2,062	5,300	3,182	4,350	4,350	-950	-17.9%	\$ 4,437	\$ 4,526	\$ 4,616
870.000 Membership & Dues	5,028	5,297	5,297	5,400	5,400	103	1.9%	\$ 5,508	\$ 5,618	\$ 5,731
Operating Costs	\$ 27,969	\$ 11,950	\$ 9,372	\$ 11,975	\$ 11,975	\$25	0.2%	\$ 12,215	\$ 12,459	\$ 12,708
TOTAL LEGISLATIVE	\$ 57,153	\$ 41,155	\$ 38,532	\$ 41,184	\$ 41,184	\$29	0.1%	\$ 41,423	\$ 41,668	\$ 41,917

Manager

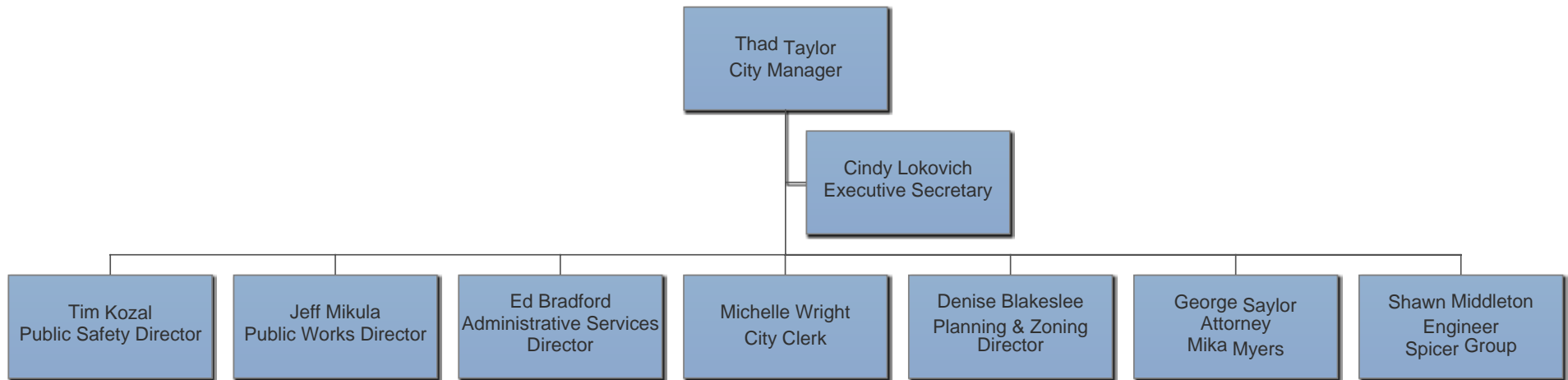
Description

Thad Taylor is the City Manager for the City of Manistee. He has been with the City for 1 year.

The City Manager is the chief administrative officer of the City and is appointed by City Council. The City Manager is primarily responsible for the efficient administration of all City Departments; the enforcement of all City laws and ordinances; the appointment of certain City department heads, with the consent of City Council; to fully advise the Council on policies, affairs, financial conditions and the needs of the City; the enforcement of any franchises, contracts or agreements; and the recommendation and administration of an annual City budget.

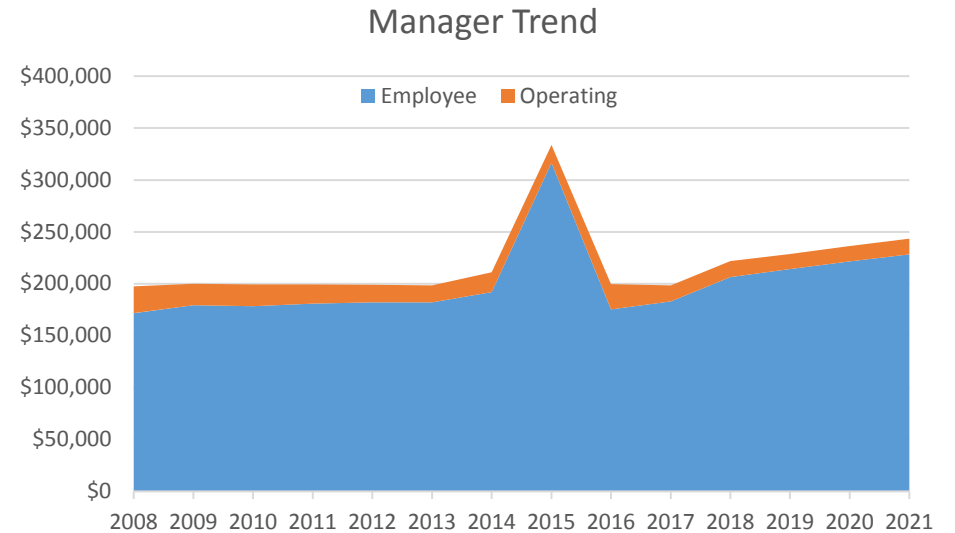
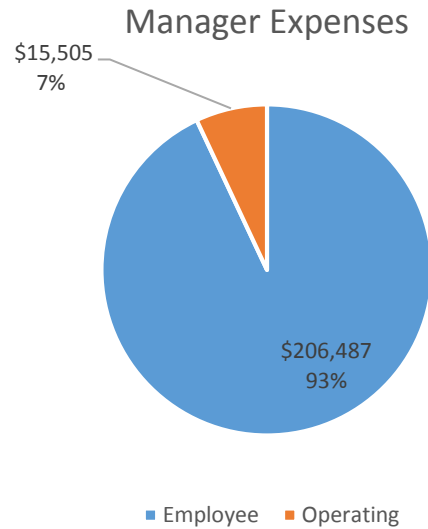


The City Manager maintains a system of accounts which conform to a uniform system required by law, the City Council and generally accepted principles and procedures of government accounting. In addition to this the City Manager performs other duties as may be prescribed by City Charter, City Ordinances or City Council.



Analysis & Infographics

The spike in employee costs in FY 2015 was due to the replacement of the City Manager and related severance costs.



Assumptions & Notes

Total costs increased **4.7%** from the prior year budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operational costs decreased from the prior year budget due to lower operating supplies.

<u>Details</u>		2016	2017		2018				2019	2020	2021
172 MANAGER		Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000	Salaries	\$ 131,038	\$148,761	\$149,000	\$152,641	\$152,641	\$3,880	2.6%	\$157,200	\$161,100	\$164,300
703.000	Longevity	0	0	0	0	0	0		\$0	\$0	\$0
704.000	Overtime	0	0	0	0	0	0		\$200	\$200	\$200
706.000	Part-Time	0	0	0	0	0	0		\$0	\$0	\$0
708.000	V\S\H Sell	2,559	0	0	0	0	0		\$0	\$0	\$0
712.001	Costs - Social Security	8,659	9,804	9,400	10,044	10,044	240	2.5%	\$10,010	\$10,250	\$10,450
712.002	Costs - Medicare	2,032	2,293	2,200	2,349	2,349	56	2.5%	\$2,340	\$2,400	\$2,440
712.004	Costs - ICMA Contribution	3,920	0	0	0	0	0		\$0	\$0	\$0
712.005	Costs - MERS	9,305	14,936	11,920	19,920	19,920	4,984	33.4%	\$22,500	\$25,300	\$28,400
712.006	Costs - In Lieu of BC/BS	1,865	4,068	2,200	4,066	4,066	-2	-0.1%	\$4,000	\$4,000	\$4,000
712.007	Costs - SUTA	522	274	270	475	475	202	73.7%	\$480	\$490	\$500
712.009	Costs - Work Comp	551	640	640	687	687	47	7.4%	\$700	\$710	\$720
712.010	Costs - Blue Cross Insurance	9,563	9,894	1,800	11,014	11,014	1,121	11.3%	\$11,300	\$11,600	\$11,900
712.011	Costs - Life Insurance	832	659	660	504	504	-155	-23.6%	\$510	\$520	\$530
712.013	Costs - HSA	3,000	3,000	3,000	3,000	3,000	0	0.0%	\$3,000	\$3,000	\$3,000
712.014	Costs - Dental Insurance	1,106	1,398	1,400	1,398	1,398	0	0.0%	\$1,430	\$1,460	\$1,490
712.015	Costs - Vision\Ancillary	369	389	390	389	389	0	0.0%	\$400	\$410	\$420
Employee Costs		\$175,320	\$196,114	\$182,880	\$206,487	\$206,487	\$10,373	5.3%	\$214,070	\$221,440	\$228,350
728.000	SUPPLIES - Operating	\$1,045	\$2,450	\$2,000	\$2,000	\$2,000	(\$450)	-18.4%	\$2,040	\$2,081	\$2,122
735.000	Periodicals & Publications	152	150	155	155	155	5	3.3%	158	161	164
801.000	Professional Services	4,504	500	500	500	500	0	0.0%	510	520	531
831.000	Contractual Repairs & Maint.	1,302	1,300	1,300	1,300	1,300	0	0.0%	1,326	1,353	1,380
860.000	Travel & Training Expense	1,674	3,350	3,550	3,550	3,550	200	6.0%	3,621	3,693	3,767
865.000	Vehicle Allowance	2400	4,800	4,800	4,800	4,800	0	0.0%	4,800	4,800	4,800
870.000	Memberships & Dues	1,136	1,200	1,200	1,200	1,200	0	0.0%	0	0	0
873.000	Education	0	0	0	0	0	0		0	0	0
874.000	Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000	Printing & Publishing	0	0	0	0	0	0		0	0	0
930.000	Repairs & Maintenance	0	0	0	0	0	0		0	0	0
957.000	Motor Pool	9,270	0	0	0	0	0		0	0	0
970.000	Capital Outlay - under \$5000	600.22	0	0	0	0	0		0	0	0
985.000	Lease Purchase	2,225	2,220	2,100	2,000	2,000	-220	-9.9%	2,220	2,264	2,310
Operating Costs		\$ 24,308	\$ 15,970	\$ 15,605	\$ 15,505	\$ 15,505	\$ (465)	-2.9%	\$ 14,675	\$ 14,873	\$ 15,074
TOTAL MANAGER		\$ 199,627	\$ 212,084	\$ 198,485	\$ 221,992	\$ 221,992	\$ 9,908	4.7%	\$ 228,745	\$ 236,313	\$ 243,424

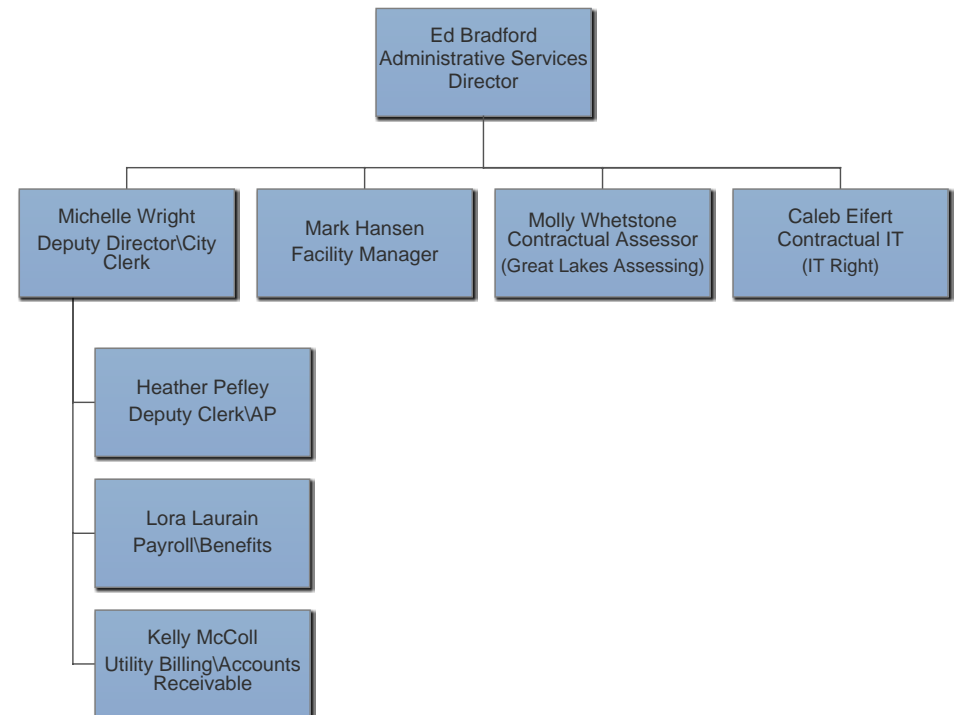
Finance

Description

The Finance Department is part of the larger Administrative Services Department. The Administrative Services Department is overseen by Edward Bradford who is the City's Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 15 years and is responsible for all financial activities in the City, with three main areas of responsibility: finance, treasury, and information technology.

The main activities of the department include:

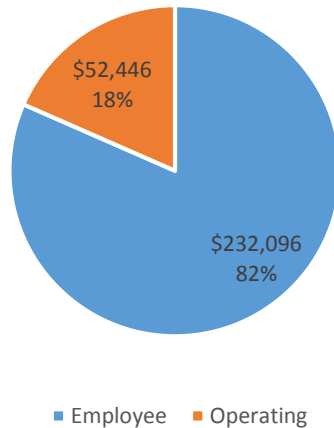
- Receiving all City revenue
- Paying all City bills
- Investing all City funds
- Maintaining City's accounting records
- Managing the annual audit
- Preparing the annual budget
- Serving as Chief Technology Officer\managing IT contract
- Managing City Assessor contract
- City liaison to Ramsdell Theatre



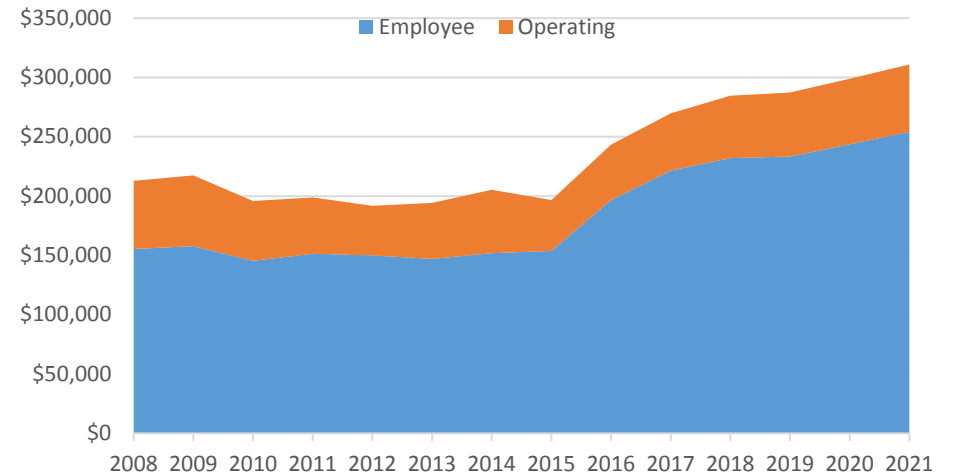
Analysis & Infographics

The increase in employee costs in FY 2016 is due to an additional position in the Finance department in order to implement the creation of the Administrative Services department.

Finance Expenses



Finance Trend



Assumptions & Notes

Total costs increased **4.9%** from the prior year budget. Employee costs increased due to wage and pay grade adjustments offset by lower new hire wages; health insurance premiums and pension contributions. Operational costs increased from the prior budget. There will likely be a single audit in the upcoming year and a new state-required performance audit for Act 51 money. Approximately 74% of the department's operational budget is non-discretionary, through either mandatory contractual professional services, such as the annual audit or software maintenance agreements.

Details

253 FINANCIAL SERVICES

	2016 Actual	2017		2018				2019	2020	2020
		Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$150,207	\$166,495	\$168,200	\$166,020	\$166,020	(\$475)	-0.3%	\$174,600	\$180,800	\$187,100
703.000 Longevity	0	0	0	\$0	0	0		0	0	0
704.000 Overtime	25	1,000	0	\$1,000	1,000	0	0.0%	200	200	200
706.000 Part-Time	0	0	0	\$0	0	0		0	0	0
708.000 V\S\H Sellback	0	0	0	\$0	0	0		0	0	0
712.001 Costs - Social Security	9,539	10,744	10,700	\$11,012	11,012	268	2.5%	10,840	11,220	11,610
712.002 Costs - Medicare	2,238	2,513	2,500	\$2,575	2,575	62	2.5%	2,530	2,620	2,720
712.004 Costs - ICMA Contribution	0	0	0	\$0	0	0		0	0	0
712.005 Costs - MERS	13,466	16,816	16,800	\$21,796	21,796	4,980	29.6%	24,700	27,800	31,200
712.006 Costs - In Lieu of BC/BS	2,800	4,800	4,800	\$9,600	9,600	4,800	100.0%	0	0	0
712.007 Costs - SUTA	799	410	410	\$713	713	303	73.9%	730	740	750
712.009 Costs - Work Comp	622	720	720	\$752	752	32	4.4%	770	790	810
712.010 Costs - Health Insurance	12,053	12,474	12,500	\$13,861	13,861	1,387	11.1%	14,200	14,600	15,000
712.011 Costs - Life Insurance	643	703	700	\$539	539	-164	-23.4%	540	550	560
712.013 Costs - HSA	3,000	3,000	3,000	\$3,000	3,000	0	0.0%	3,000	3,000	3,000
712.014 Costs - Dental Insurance	873	\$873	870	\$873	\$873	0	0.0%	890	910	930
712.015 Costs - Vision\Ancillary	354	\$354	350	\$354	\$354	0	0.0%	360	370	380

Employee Costs

\$ 196,620 \$ 220,902 \$ 221,550 \$ 232,096 \$ 232,096 \$ 11,194 5.1% \$ 233,360 \$ 243,600 \$ 254,260

728.000 SUPPLIES - Operating	\$4,414	\$4,200	\$4,200	\$4,200	\$4,200	\$0	0.0%	\$4,284	\$4,370	\$4,457
735.000 Periodicals & Publications	724	835	835	835	835	0	0.0%	852	869	886
801.000 Professional Services	25,081	27,538	26,520	29,116	29,116	1,578	5.7%	30,003	30,603	31,215
831.000 Contractual Repairs & Maint.	8,686	9,100	9,220	9,520	9,520	420	4.6%	9,929	10,358	10,807
860.000 Travel & Training Expense	2,540	4,800	3,500	4,600	4,600	-200	-4.2%	4,692	4,786	4,882
870.000 Memberships & Dues	630	630	635	735	735	105	16.7%	750	765	780
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000 Printing & Publishing	1,049	700	700	700	700	0	0.0%	714	728	743
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay - under \$5000	1,870	800	950	1,000	1,000	200	25.0%	1,020	1,040	1,061
985.000 Lease Purchase	1,727	1,740	1,740	1,740	1,740	0	0.0%	1,775	1,810	1,847

Operating Costs

\$ 46,720 \$ 50,343 \$ 48,300 \$ 52,446 \$ 52,446 \$ 2,103 4.2% \$ 54,019 \$ 55,329 \$ 56,677

TOTAL FINANCE

\$ 243,340 \$ 271,245 \$ 269,850 \$ 284,542 \$ 284,542 \$ 13,297 4.9% \$ 287,379 \$ 298,929 \$ 310,937

Clerk

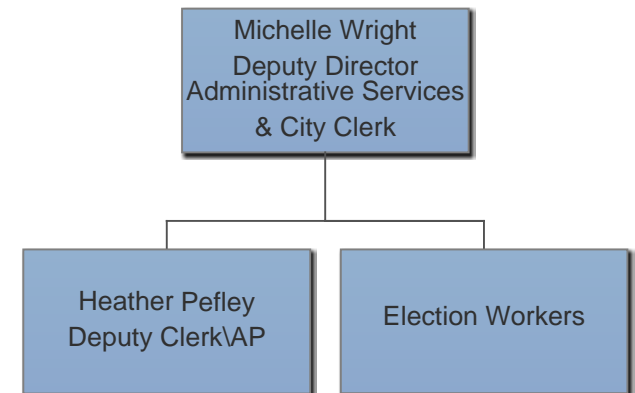
Description

Michelle Wright is the Deputy Director of Administrative Services and City Clerk for the City of Manistee. She has been with the City for 28 years.

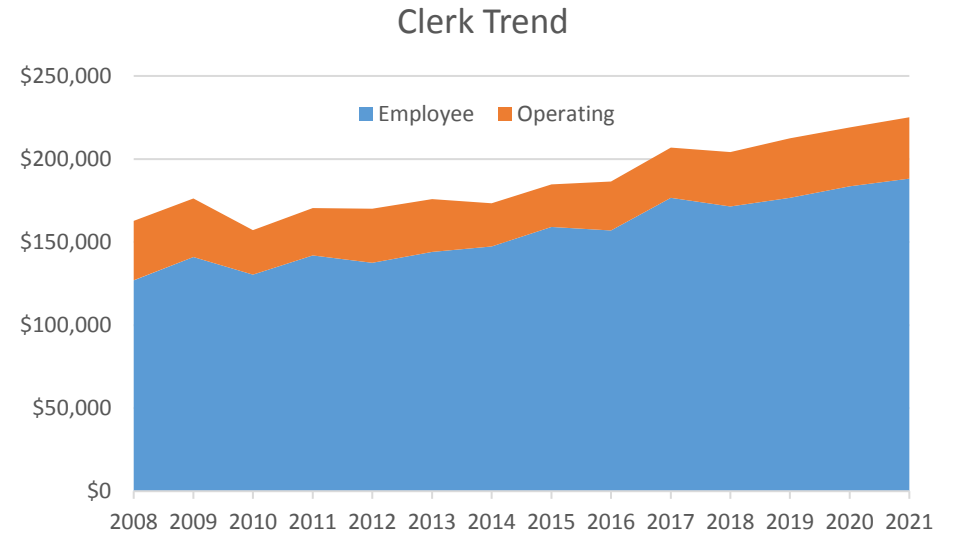
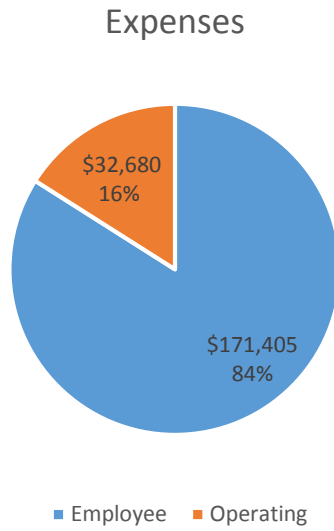
The office of City Clerk is staffed by two full-time people; Michelle Wright and Deputy Clerk / Accounts Payable Heather Pefley. Long-time deputy clerk Mary Bachman retired in March 2017 after 18 years of service with the City. The office also periodically employs 28-34 temporary workers as election inspectors. This office is a division of the Administrative Services department and shares staff and duties with the Finance department. Its responsibilities include:



- Preparation of Council Minutes
- Publishing ordinances and board vacancies
- Maintaining voter registration records
- Management of school, local, state and federal elections
- Business registrations
- Payroll oversight
- Employee benefits
- Insurance
- Processes insurance claims
- Banner permits
- Records retention coordinator
- Accounts payable
- Bank reconciliations
- General ledger maintenance
- Retiree health insurance



Analysis & Infographics



Assumptions & Notes

Total costs decreased **2.0%** from the prior year budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions, offset somewhat by lower part-time election workers due to a reduction in the number of elections. Operational costs decreased from the prior year budget. This is due to lower travel & training and professional services offset somewhat by anticipated retiree healthcare.

Details

215 City Clerk

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$118,284	\$121,291	\$121,300	\$123,716	\$123,716	\$2,425	2.0%	\$126,200	\$128,700	\$131,300
703.000 Longevity	0	0	\$0	0	0	\$0		\$0	\$0	\$0
704.000 Overtime	0	1,000	\$200	1,000	1,000	\$0	0.0%	\$200	\$200	\$200
706.000 Part-Time	3,675	6,000	\$6,174	4,000	4,000	(\$2,000)	-33.3%	\$5,000	\$6,500	\$5,500
708.000 V\SH Sellback	0	0	\$11,500	0	0	\$0		\$0	\$0	\$0
712.001 Costs - Social Security	7,405	7,985	\$7,900	8,011	8,011	\$26	0.3%	\$8,150	\$8,390	\$8,490
712.002 Costs - Medicare	1,738	1,867	\$1,900	1,874	1,874	\$7	0.4%	\$1,910	\$1,960	\$1,990
712.004 Costs - ICMA Contribution	0	0	\$0	0	0	\$0		\$0	\$0	\$0
712.005 Costs - MERS	10,674	12,278	\$12,300	16,275	16,275	\$3,997	32.6%	\$18,400	\$20,700	\$23,200
712.006 Costs - In Lieu of BC/BS	0	0	\$0	0	0	\$0		\$0	\$0	\$0
712.007 Costs - SUTA	475	274	\$270	475	475	\$201	73.4%	\$480	\$490	\$500
712.009 Costs - Work Comp	502	552	\$550	579	579	\$27	4.9%	\$590	\$600	\$610
712.010 Costs - Blue Cross Insurance	9,563	9,894	\$9,900	11,014	11,014	\$1,121	11.3%	\$11,300	\$11,600	\$11,900
712.011 Costs - Life Insurance	519	537	\$540	407	407	(\$130)	-24.3%	\$410	\$410	\$410
712.013 Costs - HSA	3,000	3,000	\$3,000	3,000	3,000	\$0	0.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	699	699	\$700	699	699	\$0	0.0%	\$710	\$720	\$730
712.015 Costs - Vision\Ancillary	354	354	\$350	354	354	\$0	0.0%	\$360	\$370	\$380
Employee Costs	\$ 156,888	\$ 165,730	\$ 176,584	\$ 171,405	\$ 171,405	\$5,675	3.4%	\$176,710	\$183,640	\$188,210
728.000 SUPPLIES - Operating	\$3,346	\$3,800	\$3,884	\$3,900	\$3,900	\$100	2.6%	\$3,978	\$4,058	\$4,139
735.000 Periodicals & Publications	152	155	152	160	160	\$5	3.2%	163	166	170
740.000 Election Expense	4,591	6,620	5,000	5,840	5,840	(\$780)	-11.8%	6,944	6,050	7,158
801.000 Professional Services	558	2,000	0	1,000	1,000	(\$1,000)	-50.0%	1,020	1,040	1,061
831.000 Contractual Repairs & Maint.	6,833	6,500	6,960	7,210	7,210	\$710	10.9%	7,354	7,501	7,651
860.000 Travel & Training Expense	5,495	6,700	6,000	4,400	4,400	(\$2,300)	-34.3%	4,488	4,578	4,669
870.000 Memberships & Dues	775	775	775	670	670	(\$105)	-13.5%	683	697	711
873.000 Education	0	0	0	0	0	\$0		0	0	0
874.000 Retiree BCBS	0	0	0	1,500	1,500	\$1,500		3,000	3,000	3,000
900.000 Printing/Publishing	4,800	4,810	4,500	5,000	5,000	\$190	4.0%	5,100	5,202	5,306
970.000 Capital Outlay - under \$5,000	0	0	0	0	0	\$0		0	0	0
985.000 Lease Purchase	2,982	3,000	3,000	3,000	3,000	\$0	0.0%	3,000	3,000	3,060
Operating Costs	\$ 29,531	\$ 34,360	\$ 30,271	\$ 32,680	\$ 32,680	(\$1,680)	-4.9%	\$35,731	\$35,292	\$36,925
TOTAL CLERK	\$ 186,420	\$ 200,090	\$ 206,855	\$ 204,085	\$ 204,085	\$ 3,995	2.0%	\$ 212,441	\$ 218,932	\$ 225,135

Assessor**Description**

Molly Whetstone of Great Lakes Assessing, Inc. is the City Assessor. She has a five year contract that expires in June, 2021.



The Assessor is responsible for keeping the records for all real and personal property in the City.

Real property is all land and improvements. Personal property includes furniture, fixtures, machinery and equipment which are generally owned by commercial and industrial businesses. An assessment roll is prepared on an annual basis. December 31 is tax day for the following year's taxes. The assessment roll is completed and certified by the first Monday in March.

Upon completion of the assessment roll, if there is a change in the assessment of your property, you will be mailed a notice of assessment change. The notice is mailed 10 days before the meeting of the Board of Review. The Board meets to hear appeals the second Monday in March. If you suspect an error you may want to appeal. This is a very tight time schedule; if you miss the opportunity to appeal to the Board of Review, you will be limited in your ability to further appeal to the Michigan Tax Tribunal. Resident and non-resident taxpayers may file appeals through a letter.

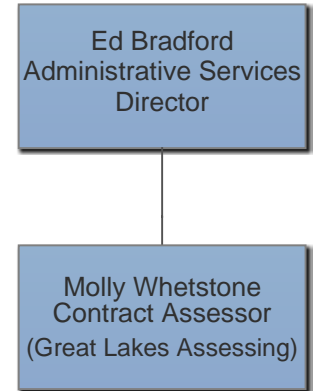
Clerical errors, mutual mistakes of fact, homestead exemption and poverty exemption appeals are heard at the July and December Boards of Review. The July Board of Review is generally held on the Tuesday following the third Monday of the month. The December Board of Review is generally held on the Tuesday following the second Monday of the month.

The state equalized value on your tax bill is 50% of the true cash or fair market value. Taxes are based on taxable value, not state equalized value. Proposal A was passed by the electorate in 1994 and limits increases in taxable value to 5% or the rate of inflation, whichever is less. New construction and equipment are added to the tax roll at 50% of the current true cash value.

New home or business buyers will experience the taxable value being raised to the level of the state equalized value the year following their purchase of real estate. The cap implemented by Proposal A will then begin again in the second year following purchase and continue until the property sells, not including new construction and improvements.

The actual taxes you pay are a function of the millage rate and the taxable value (as found on the assessment roll). The City of Manistee has a summer and winter tax bill. The taxing jurisdictions are the County of Manistee, the City of Manistee, Manistee Area Public Schools, Manistee Intermediate Schools, West Shore Community College, and the State of Michigan (receives the State Education Tax).

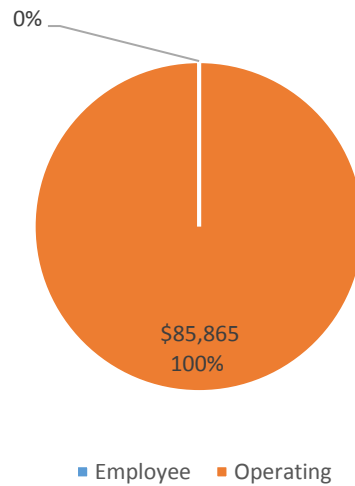
The City Assessor administers homestead exemptions in conjunction with the State of Michigan. Homeowners are allowed one exemption from the 18 mills of school operating tax on their principal residence or homestead. The Assessor also administers poverty exemptions.



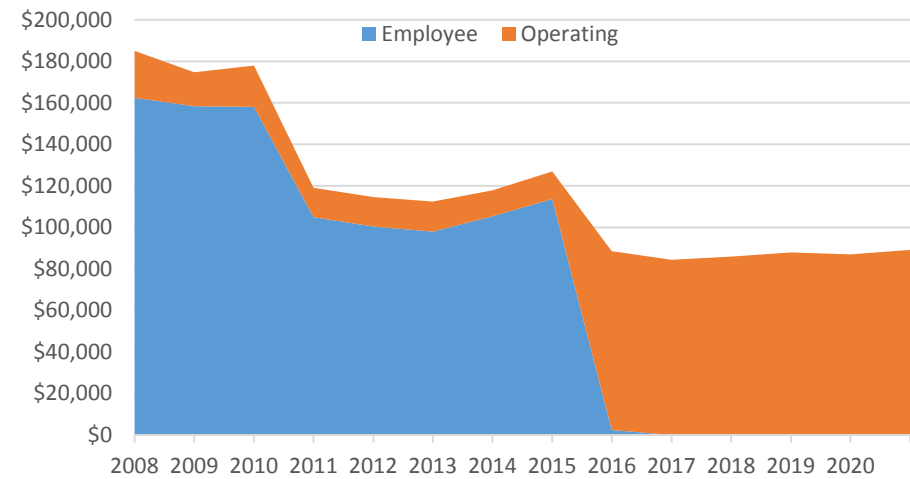
Analysis & Infographics

Assessing costs have fallen sharply due to reducing headcount in 2011 and ultimately outsourcing the assessing function in 2016.

Assessor Expenses



Assessor Trend



	Average	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
# of Tax Appeals	13	25	13	6	3	3	3	5	13	41	4	46	13	3	7
# July BOR	24	69	41	38	27	21	25	18	19	14	6	7	26	11	18
# Dec BOR	16	23	32	21	9	11	5	9	9	5	9	16	11	30	27
# of Poverty Exemptions	12	9	15	17	19	19	17	16	12	10	7	5	6	10	12
# VA Disabled Vets Exemptions	25											15	24	28	34

Assumptions & Notes

Total costs increased **4.5%** from the prior year budget. Operational costs increased due to the assessing contract annual escalator and some additional software support.

<u>Details</u>	2016	2017		2018				2019	2020	2021
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
257 City Assessor										
702.000 Salaries	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	0	0	0	0	0	0		0	0	0
706.000 Part-Time	1,830	0	0	0	0	0		0	0	0
708.000 V\H\S Sellback	0	0	0	0	0	0		0	0	0
712.001 Costs - Social Security	130	0	0	0	0	0		0	0	0
712.002 Costs - Medicare	30	0	0	0	0	0		0	0	0
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		0	0	0
712.005 Costs - MERS	0	0	0	0	0	0		0	0	0
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		0	0	0
712.007 Costs - SUTA	40	0	0	0	0	0		0	0	0
712.009 Costs - Work Comp	12	0	0	0	0	0		0	0	0
712.010 Costs - Blue Cross Insurance	0	0	0	0	0	0		0	0	0
712.011 Costs - Life Insurance	0	0	0	0	0	0		0	0	0
712.012 Costs - HRA	0	0	0	0	0	0		0	0	0
712.013 Costs - HSA	0	0	0	0	0	0		0	0	0
712.014 Costs - Dental Insurance	146	0	0	0	0	0		0	0	0
712.015 Costs - Vision\Ancillary	177	0	0	0	0	0		0	0	0
Employee Costs	\$2,365	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
728.000 SUPPLIES - Operating	\$213	\$500	\$350	\$400	\$400	(\$100)	-20.0%	\$408	\$416	\$424
735.000 Periodicals & Publications	-60	0	0	0	0	0		0	0	0
801.000 Professional Services	76,795	76,000	78,500	78,940	78,940	2,940	3.9%	80,988	82,905	84,961
831.000 Contractual Repairs & Maint	5,286	2,675	2,600	3,525	3,525	850	31.8%	3,596	3,667	3,741
860.000 Travel & Training Expense	0	0	0	0	0	0		0	0	0
865.000 Vehicle Allowance	0	0	0	0	0	0		0	0	0
870.000 Memberships & Dues	0	0	0	0	0	0		0	0	0
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	3,909	3,000	3,000	3,000	3,000	0	0.0%	3,000	0	0
900.000 Printing/Publishing	0	0	0	0	0	0		0	0	0
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay - under \$5,000	0	0	0	0	0	0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	0		0	0	0
Operating Costs	\$86,142	\$82,175	\$84,450	\$85,865	\$85,865	\$3,690	4.5%	\$87,992	\$86,989	\$89,126
TOTAL ASSESSOR	\$88,507	\$82,175	\$84,450	\$85,865	\$85,865	\$3,690	4.5%	\$87,992	\$86,989	\$89,126

Facilities

Description

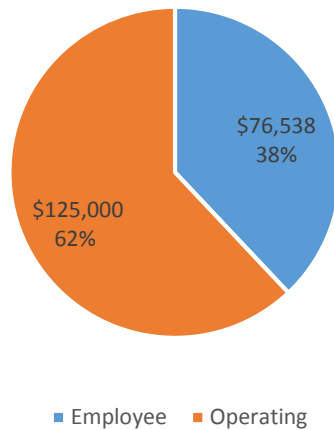
This fund accounts for the expenses associated with the ongoing operation of the City's buildings, including City Hall, Fire Station, and City Garage. The utilities for all these buildings, as well as maintenance & repairs for City Hall are recorded here. Maintenance and repairs for the Fire Station and City Garage are recorded in the Fire|EMS and DPW budgets, respectively.

Analysis & Infographics

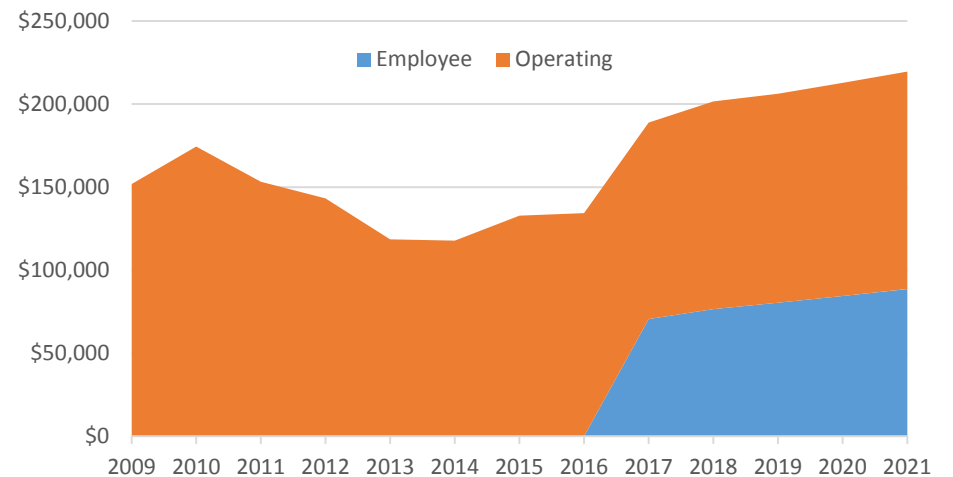
In FY 2017, Facility Manager Mark Hansen's wages and benefits were moved to the Facility department from the Community Development department as part of outsourcing the building inspection function and the creation of the Administrative Services department.



Facilities Expenses



Facilities Trend



Assumptions & Notes

Total costs increased **0.5%** from the prior year budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operational costs decreased from the prior year budget. This was due to lower phone expense and moving bridge operational costs to Major Streets for streamlined accounting and compliance purposes.

Details

265 Municipal Buildings

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$0	\$46,408	\$46,400	\$48,879	\$48,879	\$2,471	5.3%	\$51,400	\$54,000	\$56,700
704.000 Overtime	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
708.000 V\SH Sellback	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.001 Costs - Social Security	0	3,026	2,900	\$3,142	\$3,142	\$116	3.8%	\$3,190	\$3,350	\$3,520
712.002 Costs - Medicare	0	708	700	\$735	\$735	\$27	3.8%	\$750	\$780	\$820
712.004 Costs - ICMA Contribution	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.005 Costs - MERS	0	2,116	4,600	\$6,379	\$6,379	\$4,263	201.4%	\$7,200	\$8,100	\$9,100
712.006 Costs - In Lieu of BC/BS	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.007 Costs - SUTA	0	137	140	\$238	\$238	\$101	73.7%	\$240	\$240	\$240
712.009 Costs - Work Comp	0	1,801	1,800	\$2,014	\$2,014	\$213	11.8%	\$2,050	\$2,090	\$2,130
712.010 Costs - Health Insurance	0	9,894	9,900	\$11,014	\$11,014	\$1,121	11.3%	\$11,300	\$11,600	\$11,900
712.011 Costs - Life Insurance	0	113	110	\$85	\$85	(\$29)	-25.4%	\$90	\$90	\$90
712.013 Costs - HSA	0	3,000	3,000	\$3,000	\$3,000	\$0	0.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	0	699	700	\$699	\$699	\$0	0.0%	\$710	\$720	\$730
712.015 Costs - Vision\Ancillary	0	354	350	\$354	\$354	\$0	0.0%	\$360	\$370	\$380

Employee Costs

	\$ -	\$ 68,255	\$ 70,600	\$ 76,538	\$ 76,538	\$ 8,283	12.1%	\$ 80,290	\$ 84,340	\$ 88,610
728.000 SUPPLIES - Operating	\$6,287	\$7,500	\$6,500	\$7,000	\$7,000	(\$500)	-6.7%	\$7,140	\$7,283	\$7,428
801.000 Professional Services	515	2,500	2,000	2,500	2,500	0	0.0%	2,550	2,601	2,653
831.000 Contractual Repairs & Maint.	16,901	12,000	12,000	14,000	14,000	2,000	16.7%	14,280	14,566	14,857
850.000 Utilities - Phone	20,314	13,200	11,000	10,000	10,000	-3,200	-24.2%	8,078	8,240	8,405
865.000 Vehicle Allowance	0	2,400	0	1,800	1,800	-600	-25.0%	2,400	2,400	2,400
920.000 UTILITIES - Gas City Hall	4,411	5,700	5,000	5,700	5,700	0	0.0%	5,814	5,930	6,049
920.336 UTILITIES - Gas Fire Dept	3,210	3,800	3,800	3,800	3,800	0	0.0%	3,876	3,954	4,033
920.441 UTILITIES - Gas DPW	13,988	20,900	18,000	20,900	20,900	0	0.0%	21,318	21,744	22,179
920.446 UTILITIES - Gas Bridge	1,188	1,000	1,000	0	0	-1,000	-100.0%	0	0	0
922.000 UTILITIES - Water City Hall	1,891	2,200	2,200	2,300	2,300	100	4.6%	2,346	2,393	2,441
922.336 UTILITIES - Water Fire Dept	1,499	1,490	1,490	1,550	1,550	60	4.0%	1,581	1,613	1,645
922.441 UTILITIES - Water DPW	1,960	2,650	2,650	2,750	2,750	100	3.8%	2,805	2,861	2,918
922.446 UTILITIES - Water Bridge	1,086	1,060	1,060	0	0	-1,060	-100.0%	0	0	0
925.000 UTILITIES - Electric City Hall	22,347	21,500	21,500	22,000	22,000	500	2.3%	22,440	22,889	23,347
925.336 UTILITIES - Electric Fire Dept	5,483	5,000	5,000	5,200	5,200	200	4.0%	5,304	5,410	5,518
925.441 UTILITIES - Electric DPW	13,981	14,000	14,000	14,500	14,500	500	3.6%	14,790	15,086	15,388
925.446 UTILITIES - Electric Bridge	3,546	4,400	4,000	0	0	-4,400	-100.0%	0	0	0
930.000 Repairs & Maintenance	16,334	8,000	4,000	8,000	8,000	0	0.0%	8,160	8,323	8,490
970.000 Capital Outlay - under \$5000	0	3,000	3,000	3,000	3,000	0	0.0%	3,060	3,121	3,184

Operating Costs

	\$ 134,940	\$ 132,300	\$ 118,200	\$ 125,000	\$ 125,000	(\$7,300)	-5.5%	\$125,942	\$128,413	\$130,933
TOTAL MUNICIPAL BUILDINGS	\$ 134,940	\$ 200,555	\$ 188,800	\$ 201,538	\$ 201,538	\$ 983	0.5%	\$ 206,232	\$ 212,753	\$ 219,543

Planning & Zoning**Description**

Denise Blakeslee has been with the City for 23 years. She is the Planning and Zoning Director and the staff liaison to the Planning Commission, Historic District Commission and Zoning Board of Appeals.

She serves as the point person for the Redevelopment Ready Communities Program. In 2017 the City received the distinction of becoming the tenth community in the State of Michigan to receive certification (the second community in Northern Michigan). This certification demonstrates that the City of Manistee is ready for development and uses best practices when working with developers.

The main activities of the department include:

- Working with Developers on projects
- Processing requests for the Planning Commission
- Processing requests for the Historic District Commission
- Processing requests for the Zoning Board of Appeals
- Issuing Permits
- Maintaining the Zoning Ordinance
- Maintaining the Codified Ordinance
- Administrator of City Web Page
- City contact for Rental Registration Program



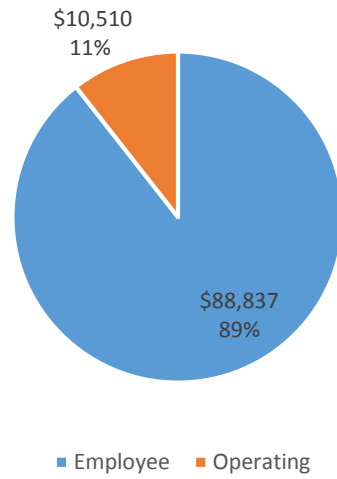
Thad Taylor
City Manager

Denise Blakeslee
Planning & Zoning
Director

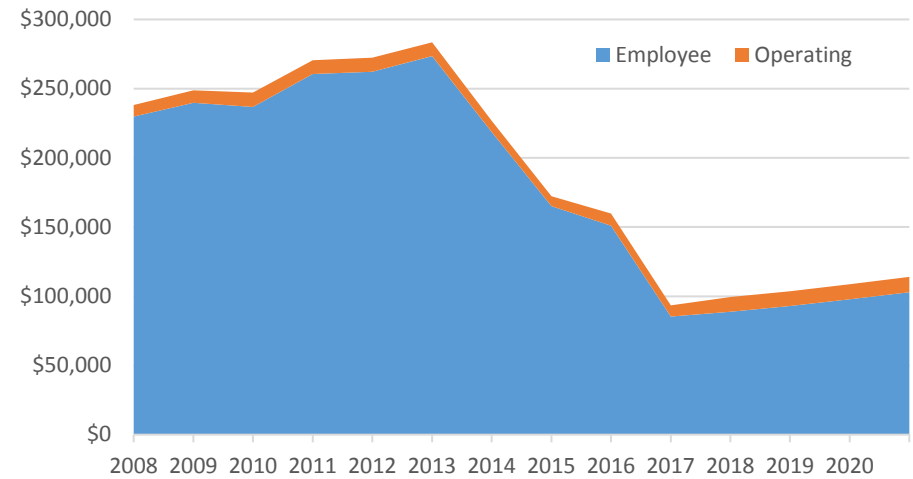
Analysis & Infographics

Planning & Zoning (formerly Community Development) costs have fallen sharply due to past restructuring and reducing headcount.

Planning & Zoning Expenses



Planning & Zoning Trend



Calendar Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
\$ Value Land Use Permits	\$640	\$675	\$1,750	\$2,800	\$1,675	\$1,575	\$1,450	\$2,150	\$1,375	\$1,275	\$1,537
# Special Use Applications	1	5	2	2	2	2	4	2	1	6	2
\$ Value Special Use Permits	\$250	\$1,250	\$1,000	\$1,500	\$1,500	\$1,500	\$3,000	\$1,500	\$750	\$1,275	\$1,361
# ZBA Requests	4	2	2	2	4	2	1	1	1	0	2
\$ Value ZBA Requests	\$1,000	\$1,000	\$1,000	\$1,000	\$2,000	\$1,000	\$500	\$500	\$500	\$0	\$944
Sign Permits	21	23	20	21	13	15	24	9	7	4	16
\$Value Sign Permit Fees	\$535	\$950	\$1,000	\$1,050	\$750	\$750	\$1,200	\$425	\$350	\$200	\$721
Historic Overlay Permits	24	33	28	24	18	22	36	18	19	23	25
# Street Alley Vacation Requests										2	
\$Value Street Alley Vacation Requests										\$1,500	
#Parcle Split/Combination Requests										2	
\$Value Parcle/Split Combination Requests										\$200	

Assumptions & Notes

Total costs increased **4.8%** from the prior year budget. Employee costs increased due to wage and pay grade adjustments, health insurance premiums and pension contributions. Operational costs increased from the prior year primarily due to a vehicle allowance adjustment.

Details

748 Planning & Zoning

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$100,890	\$57,429	\$57,400	\$59,583	\$59,583	\$2,154	3.7%	\$62,700	\$65,900	\$69,200
703.000 Longevity	0	0	0	0	0	0		\$0	\$0	\$0
704.000 Overtime	549	250	200	250	250	0	0.0%	\$250	\$250	\$250
706.000 Part-Time	0	0	0	0	0	0		\$0	\$0	\$0
708.000 V\S\H Sellback	0	0	0	0	0	0		\$0	\$0	\$0
712.001 Costs - Social Security	6,152	3,972	3,600	4,231	4,231	259	6.5%	\$3,900	\$4,100	\$4,310
712.002 Costs - Medicare	1,444	929	800	989	989	60	6.5%	\$910	\$960	\$1,010
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS	9,376	5,791	5,800	7,808	7,808	2,017	34.8%	\$8,800	\$9,900	\$11,100
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	475	137	140	238	238	101	73.7%	\$240	\$240	\$240
712.009 Costs - Work Comp	2,292	577	580	586	586	10	1.7%	\$600	\$610	\$620
712.010 Costs - Blue Cross Insurance	21,409	12,474	12,500	11,014	11,014	-1,459	-11.7%	\$11,300	\$11,600	\$11,900
712.011 Costs - Life Insurance	227	113	110	85	85	-29	-25.4%	\$90	\$90	\$90
712.013 Costs - HSA	6,000	3,000	3,000	3,000	3,000	0	0.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	1,558	873	870	699	699	-175	-20.0%	\$710	\$720	\$730
712.015 Costs - Vision\Ancillary	708	354	350	354	354	0	0.0%	\$360	\$370	\$380
Employee Costs	\$ 151,080	\$ 85,899	\$ 85,350	\$ 88,837	\$ 88,837	\$ 2,938	3.4%	\$ 92,860	\$ 97,740	\$ 102,830
728.000 SUPPLIES - Operating	\$2,593	\$3,200	\$2,500	\$3,200	\$3,200	\$0	0.0%	\$3,264	\$3,329	\$3,396
735.000 Periodicals & Publications	184	200	200	200	200	\$0	0.0%	204	208	212
801.000 Professional Services	0	0	0	0	0	\$0		0	0	0
831.000 Contractual Repairs & Maint	1,630	2,400	2,400	2,850	2,850	\$450	18.8%	2,907	2,965	3,024
860.000 Travel & Training Expense	1,752	2,200	2,000	2,200	2,200	\$0	0.0%	2,244	2,289	2,335
865.000 Vehicle Allowance	2,400	600	600	1,800	1,800	\$1,200	200.0%	1,836	1,873	1,910
870.000 Memberships & Dues	56	60	60	60	60	\$0	0.0%	61	62	64
873.000 Education	0	0	0	0	0	\$0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	\$0		0	0	0
900.000 Printing & Publishing	0	200	200	200	200	\$0	0.0%	204	208	212
930.000 Repairs & Maintenance	0	0	0	0	0	\$0		0	0	0
957.000 Motor Pool	0	0	0	0	0	\$0		0	0	0
970.000 Capital Outlay - under \$5000	0	0	0	0	0	\$0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	\$0		0	0	0
Operating Costs	\$ 8,615	\$ 8,860	\$ 7,960	\$ 10,510	\$ 10,510	\$ 1,650	18.6%	\$ 10,720	\$ 10,935	\$ 11,153
TOTAL PLANNING & ZONING	\$ 159,695	\$ 94,759	\$ 93,310	\$ 99,347	\$ 99,347	\$ 4,588	4.8%	\$ 103,580	\$ 108,675	\$ 113,983

Police

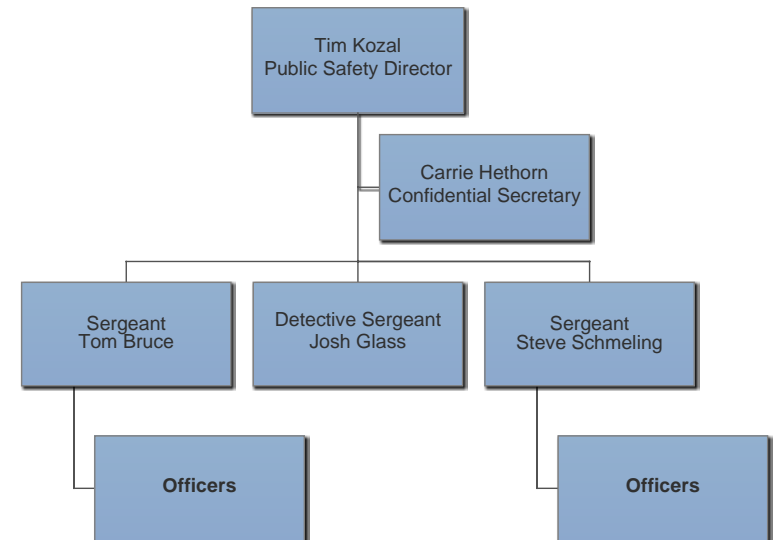
Description

Tim Kozal is the Public Safety Director for the City of Manistee. He was appointed in March, 2017. Tim replaces long-time Public Safety Director Dave Bachman who retired after 19 years with the City.

Tim will oversee the Police and Fire\EMS departments, and also serve as harbor master and run the Municipal Marina.

The Manistee Police Department is a progressive department with many plans for the future. The department currently has 13 sworn officers; including the Chief, detective sergeant and two road sergeants. The officers are unionized and represented by the POAM. The Sergeants are also unionized and represented by the COAM. There is also a part-time office support staff position. The department averages 1,400 documented complaints annually.

Currently there are 4 patrol cars which patrol 50 miles of City streets. The department also has a car for the detective sergeant's use. During the summer months there is a bike patrol for community policing and summer events. Officers are expected to do foot patrols daily throughout the downtown area, the Riverwalk and local beaches. A Polaris Ranger beach vehicle allows officers to patrol the beaches more effectively and respond to emergencies more quickly. Officers also assist the fire department at structure fires. Over the past several years, reductions in sworn officers have reduced road patrol time significantly. This results in less police presence and lower revenue from fees and fines.



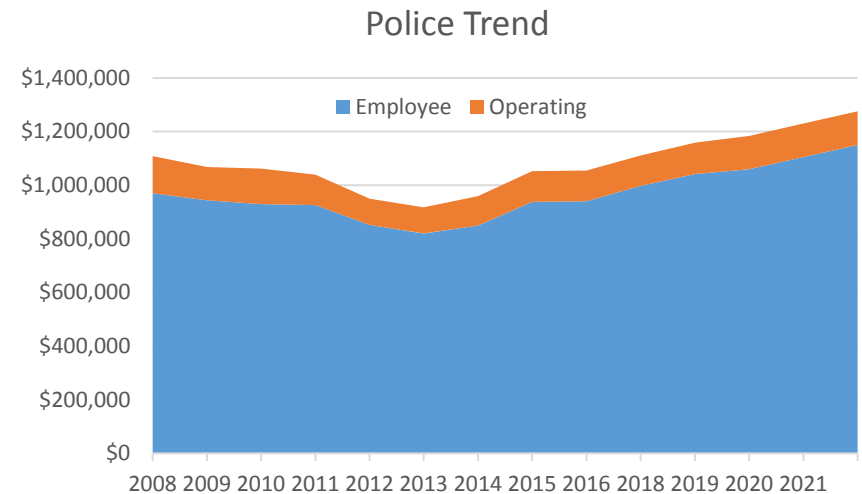
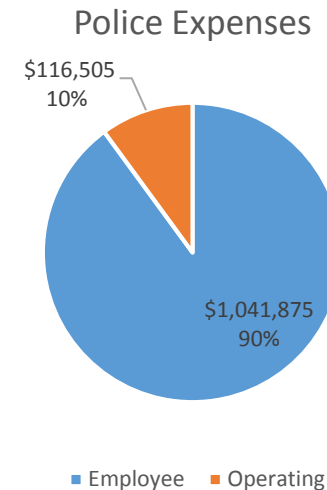
Analysis & Infographics

Category	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Dispatched Complaints									4574	4601
Written Complaints									1473	1320
Traffic Stops									1522	1100
Felonies	107	116	108	75	86	102	136	146	109	101
Misdemeanors	927	804	596	559	479	428	493	550	546	456
OWI				43	32	20	40	40	42	40
Citations	1566	997	743	872	458	392	299	478	461	308

The increase in 2015 was due to the addition of another police officer.

Assumptions & Notes

Total costs increased **5.4%** from the prior year budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operational costs decreased from the prior year budget primarily due to lower uniform and vehicle allowance and repairs, offset by contractual education expenses.



Details

301 Police	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$624,673	\$644,882	\$644,900	\$649,404	\$649,404	\$4,522	0.7%	\$673,400	\$695,200	\$714,400
703.000 Longevity	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
704.000 Overtime	27,542	20,400	\$25,000	\$24,000	\$24,000	3,600	17.6%	\$20,500	\$20,750	\$21,000
704.001 Spotlight Grant Overtime	0	0	\$0	\$5,000	\$5,000	5,000		\$0	\$0	\$0
706.000 Part-Time	17,285	14,742	\$14,800	\$15,070	\$15,070	328	2.2%	\$15,000	\$15,250	\$15,500
708.000 V\SH Sellback	20,774	15,000	\$28,600	\$20,000	\$20,000	5,000	33.3%	\$0	\$0	\$0
712.001 Costs - Social Security	1,072	1,205	\$1,220	\$934	\$934	-271	-22.5%	\$2,790	\$2,820	\$2,850
712.002 Costs - Medicare	10,297	10,457	\$10,100	\$10,693	\$10,693	236	2.3%	\$10,500	\$10,820	\$11,110
712.004 Costs - ICMA Contribution	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
712.005 MERS	69,437	88,809	\$88,800	\$138,193	\$138,193	49,385	55.6%	\$156,400	\$175,900	\$197,200
712.006 Costs - In Lieu of BC/BS	14,428	14,400	\$15,000	\$16,433	\$16,433	2,033	14.1%	\$15,000	\$15,000	\$15,000
712.007 Costs - SUTA	3,342	1,847	\$2,920	\$3,326	\$3,326	1,480	80.1%	\$3,390	\$3,460	\$3,530
712.009 Costs - Work Comp	16,469	17,617	\$17,620	\$19,300	\$19,300	1,684	9.6%	\$19,690	\$20,080	\$20,480
712.010 Costs - Blue Cross Insurance	96,583	110,095	\$110,100	\$103,253	\$103,253	-6,842	-6.2%	\$105,800	\$108,400	\$111,100
712.011 Costs - Life Insurance	2,932	2,847	\$2,850	\$2,195	\$2,195	-651	-22.9%	\$2,220	\$2,240	\$2,260
712.013 Costs - HSA	25,160	27,000	\$25,200	\$24,000	\$24,000	-3,000	-11.1%	\$25,200	\$25,200	\$25,200
712.014 Costs - Dental Insurance	7,060	7,715	\$7,710	\$6,871	\$6,871	-844	-10.9%	\$7,010	\$7,150	\$7,290
712.015 Costs - Vision\Ancillary	3,363	3,363	\$3,360	\$3,204	\$3,204	-159	-4.7%	\$3,270	\$3,340	\$3,410
Employee Costs	\$ 940,416	\$ 980,378	\$ 998,180	\$ 1,041,875	\$ 1,041,875	\$ 61,498	6.3%	\$ 1,060,170	\$ 1,105,610	\$ 1,150,330
715.000 Uniform & Cleaning Allowance	\$6,651	\$15,400	\$15,400	\$12,700	\$12,700	(\$2,700)	-17.5%	\$12,954	\$13,213	\$13,477
728.000 SUPPLIES - Operating	16,426	15,600	14,000	14,100	14,100	-1,500	-9.6%	14,382	14,670	14,963
735.000 Periodicals & Publications	246	100	0	100	100	0	0.0%	102	104	106
770.000 Vehicle Gas	14,368	13,900	14,000	13,900	13,900	0	0.0%	14,178	14,462	14,751
795.000 Spotlight Grant Expenses	0	0	0	0	0	0		0	0	0
801.000 Professional Services	1,629	1,250	1,250	1,250	1,250	0	0.0%	765	780	796
831.000 Contractual Repairs & Maint	8,463	8,970	9,000	8,970	8,970	0	0.0%	9,149	9,332	9,519
860.000 Travel & Training Expense	8,260	9,600	6,000	9,600	9,600	0	0.0%	9,792	9,988	10,188
865.000 Vehicle Allowance	4,800	4,800	4,800	0	0	-4,800	-100.0%	4,800	4,800	4,800
870.000 Memberships & Dues	530	500	500	500	500	0	0.0%	510	520	531
873.000 Education	0	0	0	5,000	5,000	5,000		5,100	5,202	5,306
874.000 Retire. Costs - Blue Cross	3,250	3,000	3,000	6,000	6,000	3,000	100.0%	6,000	4,500	3,000
900.000 Printing/Publishing	263	1,000	800	1,000	1,000	0	0.0%	1,020	1,040	1,061
930.000 Repairs & Maintenance	14,687	11,000	11,000	9,000	9,000	-2,000	-18.2%	9,180	9,364	9,551
957.000 Motor Pool	31,930	31,000	31,000	31,465	31,465	465	1.5%	32,409	33,381	34,383
970.000 Capital Outlay - under \$5000	1,698	1,500	1,050	1,500	1,500	0	0.0%	1,530	1,561	1,592
985.000 Lease Purchase	1,416	1,420	1,416	1,420	1,420	0	0.0%	1,448	1,477	1,507
Operating Costs	\$ 114,618	\$ 119,040	\$ 113,216	\$ 116,505	\$ 116,505	\$ (2,535)	-2.1%	\$ 123,320	\$ 124,394	\$ 125,530
TOTAL POLICE	\$ 1,055,034	\$ 1,099,418	\$ 1,111,396	\$ 1,158,380	\$ 1,158,380	\$ 58,963	5.4%	\$ 1,183,490	\$ 1,230,004	\$ 1,275,860

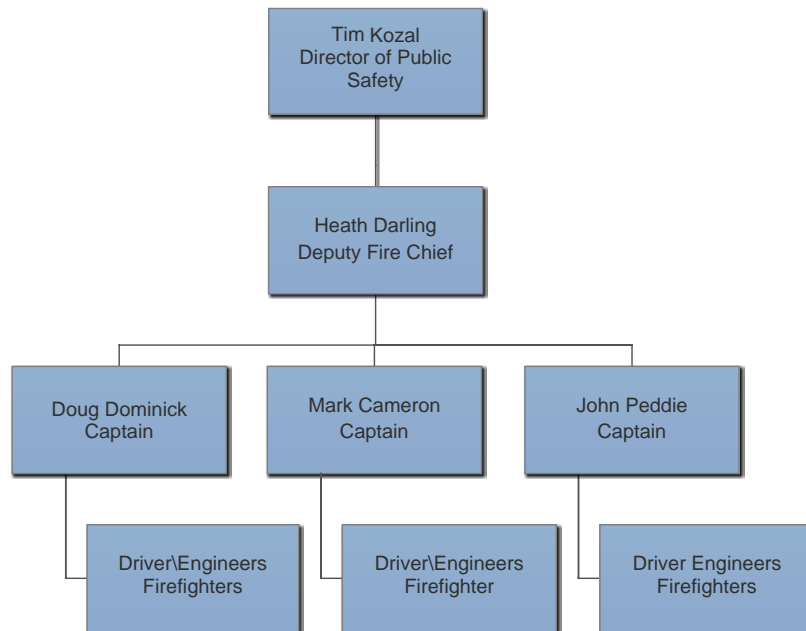
Fire & EMS

Description

Tim Kozal is the Public Safety Director for the City of Manistee. He was appointed in March, 2017. Tim replaces long-time Public Safety Director Dave Bachman who retired after 19 years with the City.

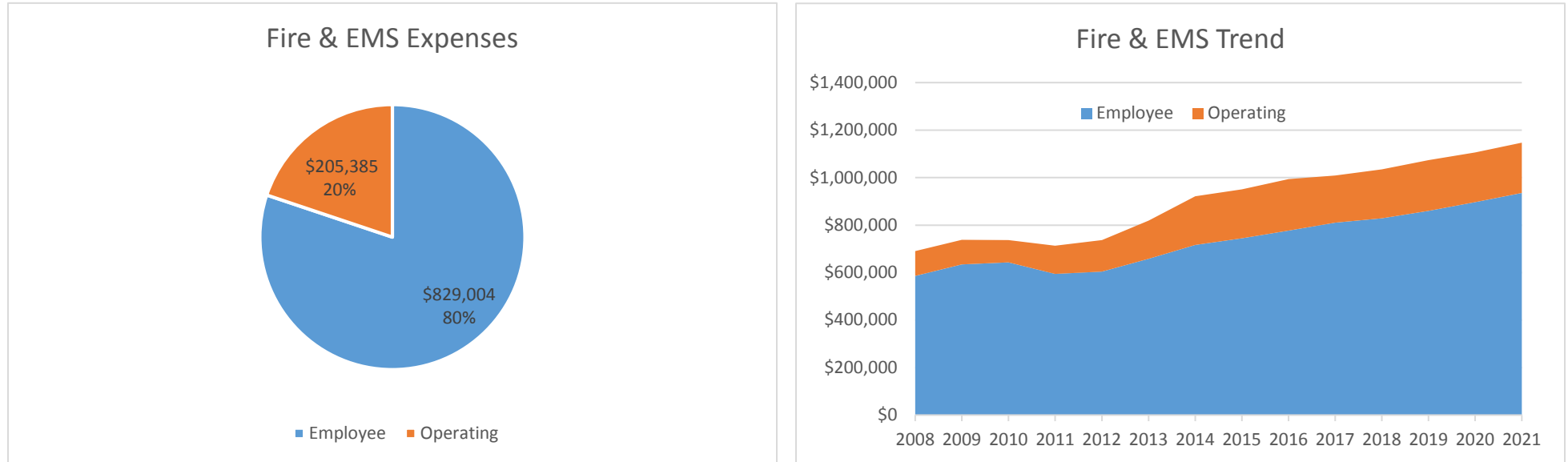
The Fire Department has a budgeted staff of 9 full time employees; seven firefighters, a deputy chief and one public safety director. The department provides the City with fire protection and medical response services at the advanced life support transport level.

In addition, firefighters conduct an active fire prevention program, conduct fire prevention and preplanning inspections, inspect the City's fire hydrants, and maintain the City's 117 year-old fire station. All firefighters are specially trained for cold water and confined space rescue, and some hazmat operations.



Analysis & Infographics

The increase in employee costs in FY 2014 was due to creating a Deputy Fire Chief position to support ALS Transport.



Assumptions & Notes

Total costs increased **3.0%** from the prior year budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operational costs increased primarily due to an increase in capital outlay offset by reductions elsewhere.

Details

336 Fire & EMS

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$451,688	\$464,239	\$464,200	\$453,347	\$453,347	(\$10,892)	-2.3%	464,500	478,500	491,400
703.000 Longevity	0	0	\$0	\$0	\$0	0		0	0	0
704.000 Overtime	32,830	30,000	\$40,000	\$30,000	\$30,000	0	0.0%	30,500	31,000	32,000
706.000 Part-Time	3,983	5,000	\$1,500	\$7,000	\$7,000	2,000	40.0%	7,250	7,500	7,750
708.000 V\SIH Sellback	22,970	27,000	\$28,600	\$26,000	\$26,000	-1,000	-3.7%	26,500	27,000	27,500
712.001 Costs - Social Security	258	310	\$90	\$434	\$434	124	40.0%	450	470	480
712.002 Costs - Medicare	6,976	6,961	\$7,300	\$6,835	\$6,835	-126	-1.8%	7,300	7,500	7,700
712.005 MERS	101,636	106,959	\$107,000	\$127,631	\$127,631	20,672	19.3%	144,400	162,400	182,100
712.006 Costs - In Lieu of BC/BS	0	0	\$0	\$2,033	\$2,033	2,033		0	0	0
712.007 Costs - SUTA	2,086	1,540	\$1,540	\$2,324	\$2,324	784	50.9%	2,370	2,420	2,470
712.009 Costs - Workers Compensation	18,664	19,227	\$19,230	\$20,248	\$20,248	1,021	5.3%	20,650	21,060	21,480
712.010 Costs - Blue Cross Insurance	94,317	97,621	\$97,600	\$110,887	\$110,887	13,266	13.6%	113,700	116,500	119,400
712.011 Costs - Life Insurance	2,058	1,939	\$1,940	\$1,519	\$1,519	-421	-21.7%	1,530	1,550	1,570
712.013 Costs - HSA	23,840	24,000	\$25,000	\$24,000	\$24,000	0	0.0%	24,000	24,000	24,000
712.014 Costs - Dental Insurance	6,841	6,841	\$6,840	\$7,336	\$7,336	495	7.2%	7,480	7,630	7,780
712.015 Costs - Vision\Ancillary	2,979	3,009	\$3,010	\$2,850	\$2,850	-159	-5.3%	2,910	2,970	3,030
716.000 Food Allowance	6,067	6,560	\$6,240	\$6,560	\$6,560	0	0.0%	6,560	6,560	6,560

Employee Costs

\$ 777,192 \$ 801,207 \$ 810,090 \$ 829,004 \$ 829,004 \$ 27,796 3.5% \$ 860,100 \$ 897,060 \$ 935,220

715.000 Uniform & Cleaning Allowance	\$3,765	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	\$6,120	\$6,242	\$6,367
728.000 SUPPLIES - Operating	11,978	11,000	11,700	10,000	10,000	-1,000	-9.1%	10,710	10,924	11,143
732.000 SUPPLIES - Medical	20,994	16,000	16,000	16,600	16,600	600	3.8%	16,932	17,271	17,616
735.000 Periodicals & Publications	0	350	350	350	350	0	0.0%	357	364	371
770.000 Vehicle Gas	6,257	6,500	6,500	6,500	6,500	0	0.0%	6,630	6,763	6,898
790.000 Fire Prevention	1,860	2,200	1,750	2,200	2,200	0	0.0%	2,244	2,289	2,335
801.000 Professional Services	22,549	21,325	22,000	23,325	23,325	2,000	9.4%	23,282	23,747	24,222
831.000 Contractual Repairs & Maint.	6,120	5,500	5,500	5,500	5,500	0	0.0%	5,610	5,722	5,837
860.000 Travel & Training Expense	6,433	8,300	8,000	7,300	7,300	-1,000	-12.0%	7,446	7,595	7,747
870.000 Memberships & Dues	250	400	400	400	400	0	0.0%	408	416	424
873.000 Education	1,380	7,500	6,900	7,500	7,500	0	0.0%	7,650	7,803	7,959
874.000 Retiree BCBS	15,000	15,000	15,000	12,000	12,000	-3,000	-20.0%	9,500	7,500	6,000
900.000 Printing/Publishing	193	400	300	400	400	0	0.0%	408	416	424
930.000 Repairs & Maintenance	25,691	12,000	11,500	12,000	12,000	0	0.0%	18,740	12,485	12,734
942.000 Hydrant Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%	21,600	21,600	21,600
956.000 Mutual Aid	0	200	0	200	200	0	0.0%	204	208	212
957.000 Motor Pool	63,860	62,000	62,000	62,930	62,930	930	1.5%	64,818	66,762	68,765
970.000 Capital Outlay-Under \$5,000	8,423	6,000	3,200	10,100	10,100	4,100	68.3%	10,302	10,508	10,718
985.000 Lease Purchase	472	480	480	480	480	0	0.0%	490	499	509

Operating Costs

\$ 216,824 \$ 202,755 \$ 199,180 \$ 205,385 \$ 205,385 \$ 2,630 1.3% \$ 213,450 \$ 209,115 \$ 211,883

TOTAL FIRE

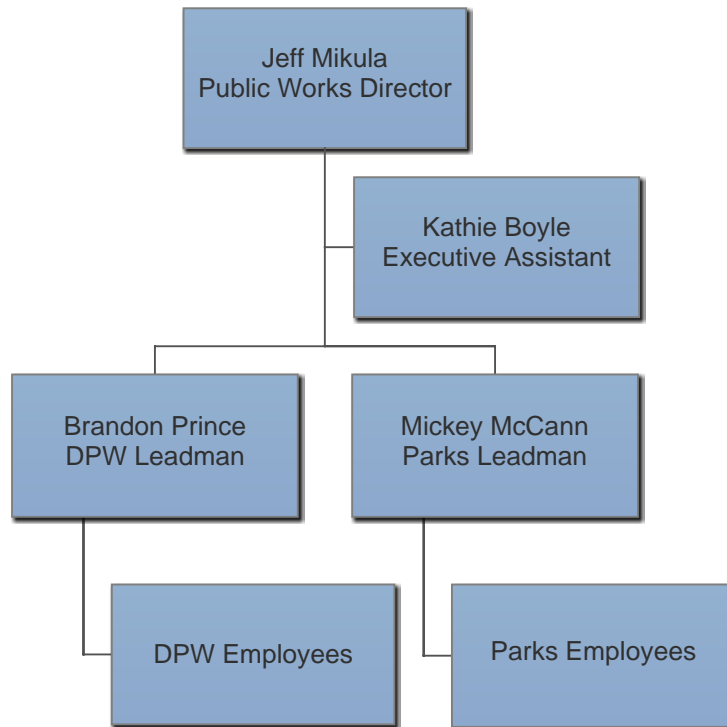
\$ 994,016 \$ 1,003,962 \$ 1,009,270 \$ 1,034,389 \$ 1,034,389 \$ 30,426 3.0% \$ 1,073,550 \$ 1,106,175 \$ 1,147,103

Public Works

Description

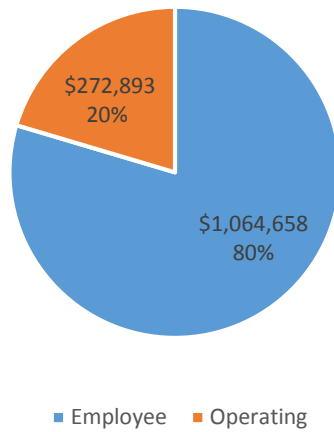
Jeff Mikula is the Public Works Director. He has been with the City for 4 years. He oversees all aspects of the Public Works, Parks and Utility operations, and is the primary project manager for City infrastructure projects.

The Department of Public Works (including the Parks department) is the workhorse of the City. It provides such services as snow plowing, sanding, street repairs, traffic control, chipping, leaf pickup, Christmas tree pickup, maintaining parks, flooding ice rink, putting up Christmas decorations, making compost, fleet maintenance, beach grooming and public area maintenance, and operating the Maple and US-31 bridges to name just a few. The DPW also assists other organizations as necessary, especially during the City's festivals and peak summer season.

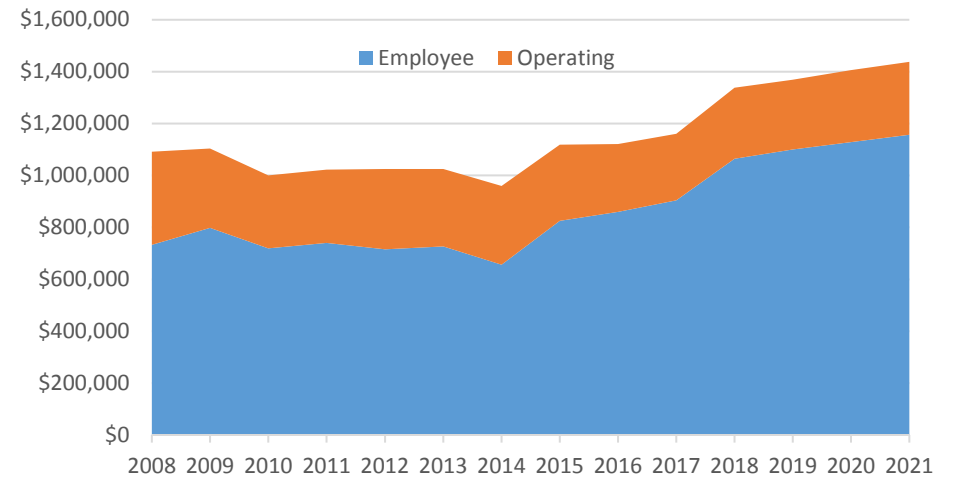


Analysis & Infographics

Public Works Expenses



Public Works Trend



Assumptions & Notes

Total costs increased **15.6%** from the prior year budget. The primary cause of the increase was the addition of two full-time employees (at no net cost as discussed in the **Employees: Staffing** section of the budget). Employee costs also increased due to wage adjustments, health insurance premiums and pension contributions. Operational costs increased from the prior year budget. The increase is due to retiree health insurance and various small capital outlay items.

Details

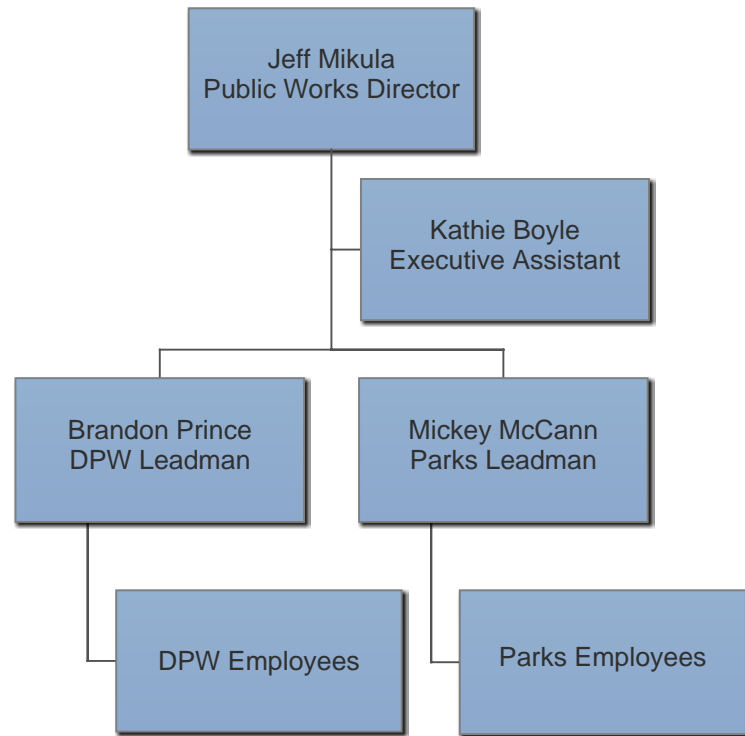
441 DPW

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$531,539	\$544,773	\$544,800	\$634,687	\$634,687	\$89,914	16.5%	\$650,800	\$667,200	\$682,800
703.000 Longevity	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
704.000 Overtime	42,110	42,936	27,000	\$27,000	\$27,000	(\$15,936)	-37.1%	\$43,000	\$43,000	\$43,000
705.000 Standby Pay - 2E	0	0	15,936	\$15,936	\$15,936	\$15,936				
706.000 Part-Time	33,532	29,120	29,000	\$11,700	\$11,700	(\$17,420)	-59.8%	\$29,000	\$29,000	\$29,000
708.000 V\H Sellback	18,098	11,000	16,000	\$13,000	\$13,000	\$2,000	18.2%	\$11,000	\$11,000	\$11,000
712.001 Costs - Social Security	37,431	38,468	38,700	\$44,064	\$44,064	\$5,596	14.5%	\$45,300	\$46,310	\$47,280
712.002 Costs - Medicare	8,758	8,997	9,100	\$10,305	\$10,305	\$1,309	14.5%	\$10,590	\$10,830	\$11,060
712.004 Costs - ICMA Contribution	2,706	2,966	2,922	\$2,587	\$2,587	(\$379)	-12.8%	\$3,000	\$3,000	\$3,000
712.005 Costs - MERS	7,647	23,702	23,700	\$39,766	\$39,766	\$16,064	67.8%	\$45,000	\$50,600	\$56,700
712.006 Costs - In Lieu of BC/BS	4,912	4,800	5,011	\$4,800	\$4,800	\$0	0.0%	\$4,800	\$4,800	\$4,800
712.007 Costs - SUTA	3,487	2,061	2,060	\$3,635	\$3,635	\$1,574	76.4%	\$3,710	\$3,780	\$3,860
712.009 Costs - Work Comp	39,140	38,315	38,310	\$46,385	\$46,385	\$8,071	21.1%	\$47,310	\$48,260	\$49,230
712.010 Costs - Blue Cross Insurance	94,486	109,418	109,400	\$158,696	\$158,696	\$49,279	45.0%	\$162,700	\$166,800	\$171,000
712.011 Costs - Life Insurance	2,019	2,139	2,140	\$1,829	\$1,829	(\$311)	-14.5%	\$1,850	\$1,870	\$1,890
712.013 Costs - HSA	23,750	28,500	28,250	\$36,000	\$36,000	\$7,500	26.3%	\$27,000	\$27,000	\$27,000
712.014 Costs - Dental Insurance	6,856	7,686	7,690	\$9,665	\$9,665	\$1,980	25.8%	\$9,860	\$10,060	\$10,260
712.015 Costs - Vision\Ancillary	3,806	3,894	3,890	\$4,602	\$4,602	\$708	18.2%	\$4,690	\$4,780	\$4,880
Employee Costs	\$860,276	\$898,774	\$903,909	\$1,064,658	\$1,064,658	\$165,884	18.5%	\$1,099,610	\$1,128,290	\$1,156,760
715.000 Uniform & Cleaning Allowance	\$5,951	\$5,903	\$6,500	\$6,803	\$6,803	\$900	15.2%	\$6,429	\$6,558	\$6,689
728.000 SUPPLIES - Operating	18,568	13,500	24,000	15,300	15,300	1,800	13.3%	15,606	15,918	16,236
735.000 Periodicals & Publications	152	200	200	200	200	0	0.0%	204	208	212
770.000 Vehicle Gas	35,562	53,800	40,000	53,800	53,800	0	0.0%	54,876	55,974	57,093
801.000 Professional Services	6,333	3,500	1,000	3,500	3,500	0	0.0%	3,570	3,641	3,714
831.000 Contractual Repairs & Maint.	12,488	10,450	9,000	10,450	10,450	0	0.0%	10,659	10,872	11,090
860.000 Travel & Training Expense	2,753	5,450	2,000	3,500	3,500	-1,950	-35.8%	3,570	3,641	3,714
870.000 Dues & Memberships	488	300	200	300	300	0	0.0%	306	312	318
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retire. Costs - Blue Cross	3,000	0	4,500	7,500	7,500	7,500		3,000	5,750	3,000
900.000 Printing & Publishing	1,280	400	600	400	400	0	0.0%	408	416	424
930.000 Repairs & Maintenance	92,846	83,000	85,000	83,000	83,000	0	0.0%	79,560	81,151	82,774
955.000 Christmas Decorations	5,606	8,000	5,000	8,000	8,000	0	0.0%	8,160	8,323	8,490
957.000 Motor Pool	74,160	72,000	72,000	73,080	73,080	1,080	1.5%	75,272	77,531	79,856
970.000 Capital Outlay - under \$5000	0	0	5,900	5,500	5,500	5,500		5,610	5,722	5,837
985.000 Lease Purchase	1,515	1,560	250	1,560	1,560	0	0.0%	1,591	1,623	1,655
Operating Costs	\$260,702	\$258,063	\$256,150	\$272,893	\$272,893	\$14,830	5.7%	\$268,822	\$277,641	\$281,104
TOTAL DPW	\$1,120,978	\$1,156,837	\$1,160,059	\$1,337,551	\$1,337,551	\$180,714	15.6%	\$1,368,432	\$1,405,931	\$1,437,864

Parks

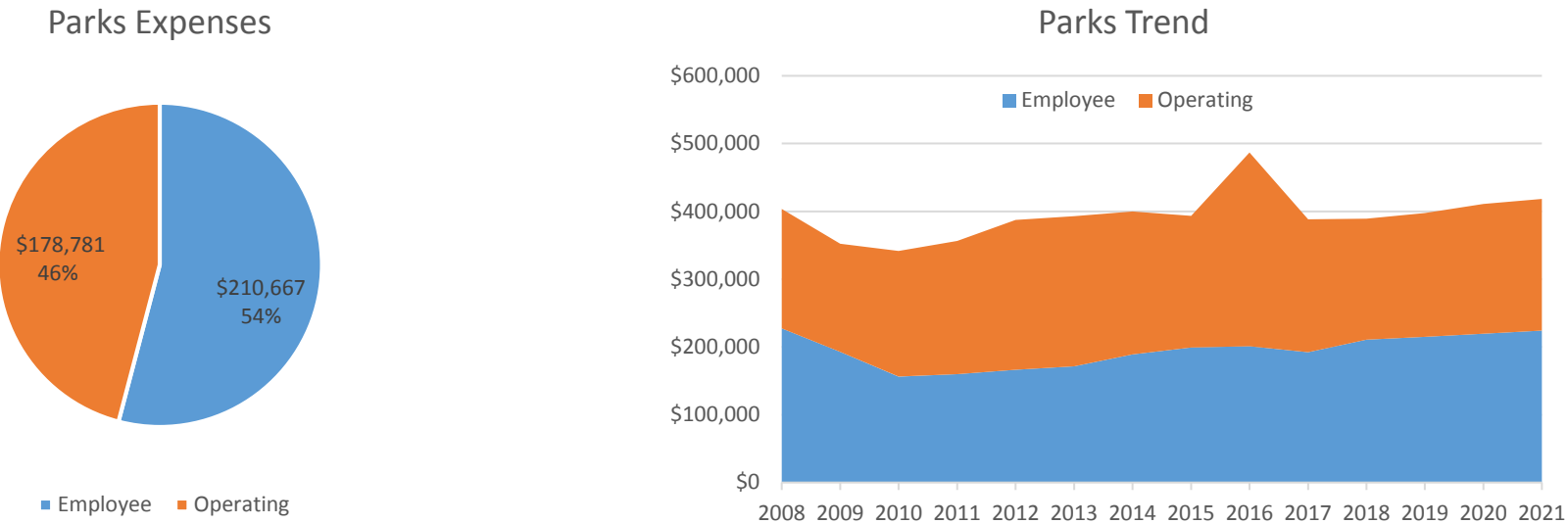
Description

The Parks department is responsible for the maintenance of all of the City's parks, beaches and most public restrooms. The 16 parks in the City comprise 183 acres, 1.5 miles of Lake Michigan beaches and 3.5 miles of bikeways\walkways. The Parks department employs seasonal help to augment the full-time workforce and keep the Parks looking good.



Analysis & Infographics

The spike in operating costs projected for FY 2016 is due to emergency Riverwalk repairs.



Assumptions & Notes

Total costs increased **6.3%** from the prior year budget. Employee costs increased due part-time staffing increases; and to wage adjustments, health insurance premiums and pension contributions. Operational costs increased from the prior year budget. Increases in operating supplies and water were partially offset by decreases in repairs and maintenance.

Details

751 Parks

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$87,120	\$87,901	\$87,900	\$89,555	\$89,555	\$ 1,654	1.9%	\$91,300	\$93,100	\$95,000
703.000 Longevity	0	0	0	0	0	\$ -		0	0	0
704.000 Overtime	14,253	8,500	9,000	8,500	8,500	\$ -	0.0%	9,000	9,500	10,000
705.000 Standby Pay - 2E	0	0	0	0	0			0	0	0
706.000 Part-Time	51,377	47,190	47,000	54,600	54,600	\$ 7,410	15.7%	55,000	55,500	56,000
708.000 V\SIH Sellback	3,839	1,000	500	1,000	1,000	\$ -	0.0%	1,000	1,000	1,000
712.001 Costs - Social Security	9,360	8,996	8,900	9,558	9,558	\$ 562	6.2%	9,630	9,800	9,980
712.002 Costs - Medicare	2,189	2,089	2,100	2,221	2,221	\$ 131	6.3%	2,250	2,290	2,330
712.004 Costs - ICMA Contribution		0	0	0	0	\$ -		0	0	0
712.005 Costs - MERS	0	1,751	2,800	5,342	5,342	\$ 3,591	205.1%	6,000	6,700	7,500
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	\$ -		0	0	0
712.007 Costs - SUTA	1,472	1,907	1,910	1,917	1,917	\$ 10	0.5%	1,950	1,990	2,030
712.009 Costs - Work Comp	4,362	4,178	4,180	4,595	4,595	\$ 416	10.0%	4,690	4,780	4,880
712.010 Costs - Blue Cross Insurance	18,756	19,787	19,800	24,875	24,875	\$ 5,088	25.7%	25,500	26,100	26,800
712.011 Costs - Life Insurance	299	302	300	226	226	\$ (77)	-25.4%	230	230	230
712.013 Costs - HSA	6,000	6,000	6,000	6,000	6,000	\$ -	0.0%	6,000	6,000	6,000
712.014 Costs - Dental Insurance	1,385	1,398	1,400	1,572	1,572	\$ 175	12.5%	1,600	1,630	1,660
712.015 Costs - Vision\Ancillary	693	708	710	708	708	\$ -	0.0%	720	730	740

Employee Costs

	\$ 201,106	\$ 191,707	\$ 192,500	\$ 210,667	\$ 210,667	\$ 18,960	9.9%	\$ 214,870	\$ 219,350	\$ 224,150
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715.000 Uniform & Cleaning	\$820	\$1,131	\$1,000	\$1,161	\$1,161	\$30	2.7%	\$1,184	\$1,208	\$1,232
728.000 SUPPLIES - Operating	18,411	10,800	18,000	18,000	18,000	7,200	66.7%	18,360	18,727	19,102
735.000 Periodicals & Publications	0	0	0	0	0	0		0	0	0
770.000 Vehicle Gas	8,668	7,350	8,000	8,400	8,400	1,050	14.3%	8,568	8,739	8,914
801.000 Professional Services	0	500	9,300	500	500	0	0.0%	510	520	531
831.000 Contractual Repairs & Maint.	49,300	34,500	34,500	24,800	24,800	-9,700	-28.1%	25,296	25,802	26,318
850.000 Phone	258	0	0	720	720	720		734	764	764
860.000 Travel & Training Expense	695	750	0	500	500	-250	-33.3%	510	520	531
870.000 Memberships & Dues	0	160	160	160	160	0	0.0%	163	166	170
874.000 Retiree BCBS	1,363	0	3,000	3,000	3,000	3,000		3,000	3,000	1,500
900.000 Printing & Publishing	796	500	200	500	500	0	0.0%	510	520	531
920.000 UTILITIES - Gas	875	1,000	1,000	1,000	1,000	0	0.0%	1,020	1,040	1,061
922.000 UTILITIES - Water	14,034	13,000	21,000	21,000	21,000	8,000	61.5%	21,420	21,848	22,285
925.000 UTILITIES - Electric	20,933	21,000	20,500	21,000	21,000	0	0.0%	21,420	21,848	22,285
930.000 Repairs & Maintenance	128,973	48,000	40,000	41,500	41,500	-6,500	-13.5%	42,330	48,177	49,140
957.000 Motor Pool	37,080	36,000	36,000	36,540	36,540	540	1.5%	37,636	38,765	39,928
970.000 Capital Outlay - under \$5000	3,558	0	3,000	0	0	0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	0		0	0	0

Operating Costs

	\$ 285,763	\$ 174,691	\$ 195,660	\$ 178,781	\$ 178,781	\$ 4,090	2.3%	\$ 182,662	\$ 191,647	\$ 194,292
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TOTAL PARKS

	\$ 486,869	\$ 366,398	\$ 388,160	\$ 389,448	\$ 389,448	\$ 23,050	6.3%	\$ 397,532	\$ 410,997	\$ 418,442
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Attorney

Description

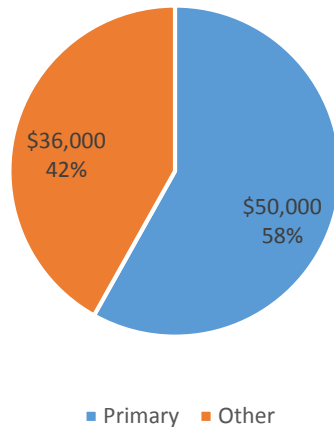
George Saylor, of Mika Meyers Beckett & Jones, is the City Attorney. The firm has been the City's legal counsel since 1993. Their staff works closely with City staff on a variety of legal issues such as labor, tax appeals and environmental matters; and also prepares or reviews all City contracts. The prosecuting attorney fee is also paid here.



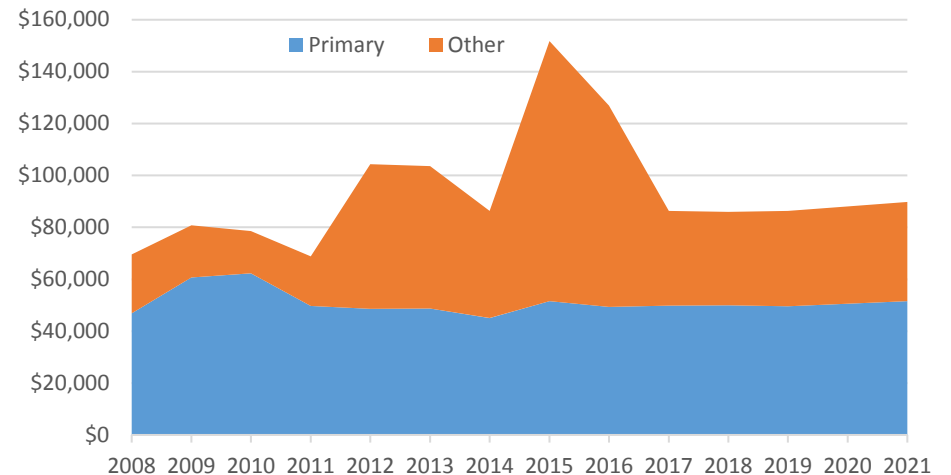
Analysis & Infographics

The spike in FY 2015 and FY 2016 were the result of litigation, tax appeals and open meeting act issues.

Attorney Expenses



Attorney Trend



Assumptions & Notes

Total costs were down **2.3%** from the prior year budget due to no escalator in the City Attorney contractual costs, offset a bit by higher labor attorney fees due to three upcoming union contract negotiations.

Details

266 Attorney

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
802.000 Attorney	\$49,297	\$55,000	\$49,800	\$50,000	\$50,000	(\$5,000)	-9.1%	\$49,572	\$50,563	\$51,575
803.000 Attorney - Litigation	68,176	5,000	10,000	5,500	5,500	\$500	10.0%	5,610	5,722	5,837
804.000 Attorney - Labor	7,551	8,000	12,000	10,000	10,000	\$2,000		10,200	10,404	10,612
805.000 Attorney - Tax Appeals	1,825	7,500	3,000	8,000	8,000	\$500		8,160	8,323	8,490
806.000 Attorney - Prosecuting	0	12,500	11,500	12,500	12,500	\$0		12,750	13,005	13,265
TOTAL ATTORNEY	\$126,849	\$88,000	\$86,300	\$86,000	\$86,000	(\$2,000)	-2.3%	\$86,292	\$88,018	\$89,778

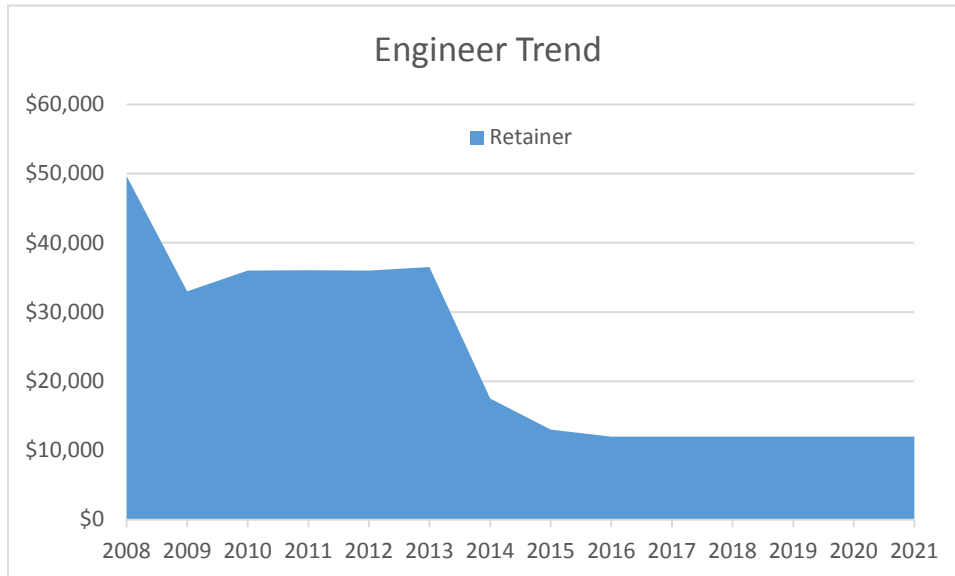
Engineer

Description

The Spicer Group is the City's Engineer of Record. This contract was awarded in 2013. Shawn Middleton is the primary contact for the City. Spicer assists in many of the daily activities of the City; answering technical questions and working across departments to address their engineering needs. They also help the City write, apply for and administer grants. This fund accounts only for the retainer paid to Spicer. Actual engineering fees are recorded on a project basis in their appropriate fund.

Analysis & Infographics

The monthly retainer was reduced compared to the prior engineer through negotiation.



Assumptions & Notes

Total costs were flat from the prior year budget. This amount is a contractual retainer fee for various day to day services.

Details

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
285 Engineer										
801.000 Professional Services (Retainer)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$0	0.0%	\$12,000	\$12,000	\$12,000
TOTAL ENGINEER	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000	\$0	0.0%	\$12,000	\$12,000	\$12,000

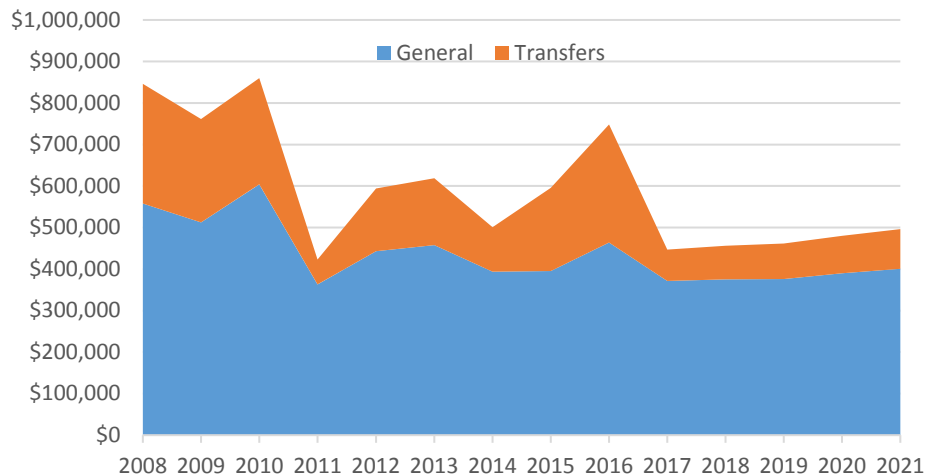
General Operating

Description

The General Operating department accounts for those items that are City-wide in nature, or ones that do not fit within an existing department. Examples of these items are things such as streetlights, information technology support, insurance, postage & transfers out.

Analysis & Infographics

General Trend



Assumptions & Notes

Total costs increased by **4.6%** from the prior year budget. Many line items had changes. Professional services was reduced due to less anticipated use. Property, casualty and liability insurance increased due to poor experience, although this is expected to improve in future years. Data costs increased as we anticipate getting a more robust internet connection for reliability and capacity. Streetlighting declined based on our actual projected bills. Computer hardware and software is up as the City's financial management software suite is being replaced. This is discussed more in the Capital Improvement Fund budget. Transfers out are up due to an additional \$5,000 transfer to the Street funds.

Details

100 General Operating

	2016 Actual	2017		2018				2019	2020	2021
		Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
728.000 SUPPLIES - Operating	\$554	\$1,000	\$1,000	\$664	\$664	(\$336)	-33.6%	\$677	\$691	\$705
801.000 Professional Services	35,154	33,000	20,000	29,400	29,400	-3,600	-10.9%	29,988	30,588	31,200
822.000 Insurance	79,108	81,000	87,200	88,000	88,000	7,000	8.6%	89,760	91,555	93,386
855.000 Utilities - Cell Phones	17,930	12,000	12,000	12,000	12,000	0	0.0%	12,240	12,485	12,734
859.000 Utilities - Data\Internet	2,111	2,000	2,200	6,036	6,036	4,036	201.8%	6,157	6,280	6,405
901.000 Postage	27,972	26,000	27,000	27,000	27,000	1,000	3.8%	27,540	28,091	28,653
925.001 Electric - Street Lights	107,829	112,000	108,000	109,000	109,000	-3,000	-2.7%	111,180	113,404	115,672
940.000 Rent	1,617	1,700	1,700	1,700	1,700	0	0.0%	1,734	1,769	1,804
959.000 Bad Debt	0	500	500	500	500	0	0.0%	510	520	531
960.000 Bank Charges	9,396	6,000	6,000	5,500	5,500	-500	-8.3%	5,610	5,722	5,837
964.000 Refunds	7,314	1,000	17,000	500	500	-500	-50.0%	510	520	531
970.000 Capital Outlay-Under \$5,000	0	0	0	0	0	0		0	0	0
989.000 Computer Hardware & Software	9,598	7,000	13,000	14,500	14,500	7,500	107.1%	4,590	7,500	7,650
999.000 Transfer Out	283,824	75,616	75,616	80,616	80,616	5,000	6.6%	85,616	90,616	95,616
966.000 Streets Transfer Contra Account	-118,208	0	0	0	0	0		0	0	0
Contingency	0	0	0	0	0	0		0	0	0
TOTAL GENERAL OPERATING	\$ 464,200	\$ 358,816	\$ 371,216	\$ 375,416	\$ 375,416	\$ 16,600	4.6%	\$ 376,112	\$ 389,740	\$ 400,723

Debt Service

Description

The Debt Service department accounts for City general obligation bond debt that is not exclusively associated with the water & sewer utility. It is in lieu of a separate debt service fund. The City has three of these bond issues recorded here: the 2010 DDA Refunding bond, the 2013 Capital Improvement Refunding bond and the 2010 Capital Improvement bond.

Assumptions & Notes

Debt service costs increased by **1.3%**. The General fund pays for the 2013 Refunding bond (City Hall renovation) which escalates each year, the DDA reimburses the City 100% for the 2010 DDA Refunding Bond and the capital improvement fund, water and sewer fund and street fund(s) reimburse the general fund 100% for the 2010 CI bond.

Details

574 Debt Service

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
992.002 Renaissance Park Loan - Principa	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
992.006 2010 DDA Refunding - Principal	120,000	120,000	120,000	125,000	125,000	5,000	4.2%	130,000	135,000	0
992.007 2010 Capital Improvement - Principal	230,000	235,000	235,000	245,000	245,000	10,000	4.3%	250,000	260,000	270,000
992.008 2013 CI Refunding - Principal	165,000	175,000	175,000	185,000	185,000	10,000	5.7%	200,000	210,000	225,000
997.006 2010 DDA Refunding - Interest	19,750	16,150	16,150	12,475	12,475	-3,675	-22.8%	8,000	2,700	0
997.007 2010 Capital Improvement - Interest	199,035	191,766	191,766	184,273	184,273	-7,493	-3.9%	175,910	166,023	155,423
997.008 2013 CI Refunding - Interest	40,550	37,150	37,150	33,550	33,550	-3,600	-9.7%	29,700	25,600	21,250
TOTAL DEBT SERVICE	\$ 774,335	\$ 775,066	\$ 775,066	\$ 785,298	\$ 785,298	\$ 10,232	1.3%	\$ 793,610	\$ 799,323	\$ 671,673

Boards & Commissions

Description

This department accounts for the many Boards and Commissions that have been established by Council or through ordinance. Some are State mandated and others are purely a local creation; however they all make significant contributions to the Community and its betterment.

Assumptions & Notes

Total costs decreased **14.3%** from the prior year budget. A few budgets were reduced to better reflect actual cost experience and expectations. Board of Review members are treated like employees and incur social security, medicare and workers compensation costs.

Details

290 Boards & Commissions

	2016 Actual	2017		2018				2019	2020	2021
		Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
712.001 Costs - Social Security	\$71	\$75	\$70	\$75	\$75	\$0	0.0%	\$75	\$75	\$75
712.002 Costs - Medicare	17	20	15	20	20	0	0.0%	20	20	20
712.009 Costs - Workers Comp	5	5	5	5	5	0	0.0%	5	5	5
881.000 Board of Review	1,601	2,000	1,750	2,000	2,000	0	0.0%	2,040	2,081	2,122
883.000 Harbor Commission	18	200	0	200	200	0	0.0%	204	208	212
884.000 Historic District Commission	736	750	750	750	750	0	0.0%	765	780	796
885.000 Non-Motorized Transportation	0	500	0	0	0	-500	-100.0%	0	0	0
886.000 Parks Commission	325	500	800	800	800	300	60.0%	816	832	849
887.000 Planning Commission	2,840	6,000	3,000	4,800	4,800	-1,200	-20.0%	4,896	4,994	5,094
888.000 Tree Commission	546	500	450	500	500	0	0.0%	510	520	531
889.000 Zoning Board of Appeals	654	1,300	800	1,000	1,000	-300	-23.1%	765	780	796
TOTAL BOARDS & COMMISSIONS	\$ 6,812	\$ 11,850	\$ 7,640	\$ 10,150	\$ 10,150	\$ (1,700)	-14.3%	\$ 10,096	\$ 10,296	\$ 10,500

Appropriations

Description

The City funds a variety of different organizations which undertake public activities on the City's behalf. Each organization is required to annually make a request for funding, unless they have an unexpiring contract. By law the City may not provide a gift or a contribution of tax dollars for any purpose. However, the City may provide governmental services through other organizations. This distinction is important. In order to document the public purpose being served, the City requires signed agreements that document the public benefit being provided, when not readily apparent or already documented via contract. The organizations that the City funds are listed below with a brief description of the service they provide.

<u>Organization</u>	<u>Services Provided</u>
Alternatives for Area Youth	Teen Center, youth activities
211	Social services hotline
Manistee Saints	Rietz Park ball diamond maintenance
Manistee Area Public Schools Paine Pool	Community Pool
Alliance for Economic Success	Economic development services
Manistee County Baseball League	Youth recreation, field maintenance
Manistee Recreation Association	Youth recreation
Manistee Area Historical Museum	City historian, Historical reviews
PEG (Public, Education & Government TV)	Videotape & Broadcast Council meetings
Ramsdell Regional Center for the Arts	Operates City-owned Ramsdell Theatre
Veteran's Memorial Day	Memorial Day flags

Issue

In the past, appropriation recipients have been held largely harmless while the City struggled with increasing costs, stagnant growth and cuts. In order to sustainably balance the budget, the City can no longer afford to fund appropriations at their previous levels. Although the services provided by the organizations have varying degrees of value, some can be delivered more efficiently and cost effectively, shifted to other organizations or eliminated with little impact. The proposed budget makes cuts or eliminates funding for most of these organizations.

Alternatives for Area Youth: The funding is proposed to be reduced by 50% or \$6,500. AAY has not adequately documented the level of services it is providing, and an opportunity exists to partner with the new Armory Youth Project and reduce redundancy.

211: The funding of \$3,000 is proposed to be eliminated. 211 already receives funding from Manistee County and does not provide any specialized services to the City.

Manistee County Baseball League: The funding of \$3,500 is proposed to be eliminated. The value of the services provided to the City is minimal. In addition, their 2016 income statement showed net income of \$5,252, demonstrating ample financial capacity without the City allocation.

Manistee Recreation Association: The funding is proposed to be reduced by 5.3% or \$1,500. The MRA provides non-redundant services, but has shown that it is steadily increasing and diversifying its funding sources. This cut represents 1.3% of its budget.

Manistee Saints: The funding is proposed to be reduced by 50% or \$3,000. The Saints do maintain the Reitz Park baseball diamond, but almost entirely for their exclusive use and at a higher level than is needed for regular use. A potential agreement between the City and the Saints is being discussed which could further alter this allocation.

Manistee County Historical Museum: The funding is proposed to be reduced by 14.3% or \$1,500. The Museum does provide non-redundant services to the City but not sufficient to justify the expenditure. This cut represents just 3% of their proposed budget.

PEG (Public, Education & Government TV): The funding of \$25,500 is proposed to be eliminated. The City will invest in technology that will allow it to record and play and/or stream over the internet Council and other meetings.

Ramsdell Regional Center for the Arts: The funding is proposed to be reduced by 10.7% or \$7,500. This is a slightly greater reduction than projected last year, but the new organization will be able to absorb it due to ramped up fund raising efforts.

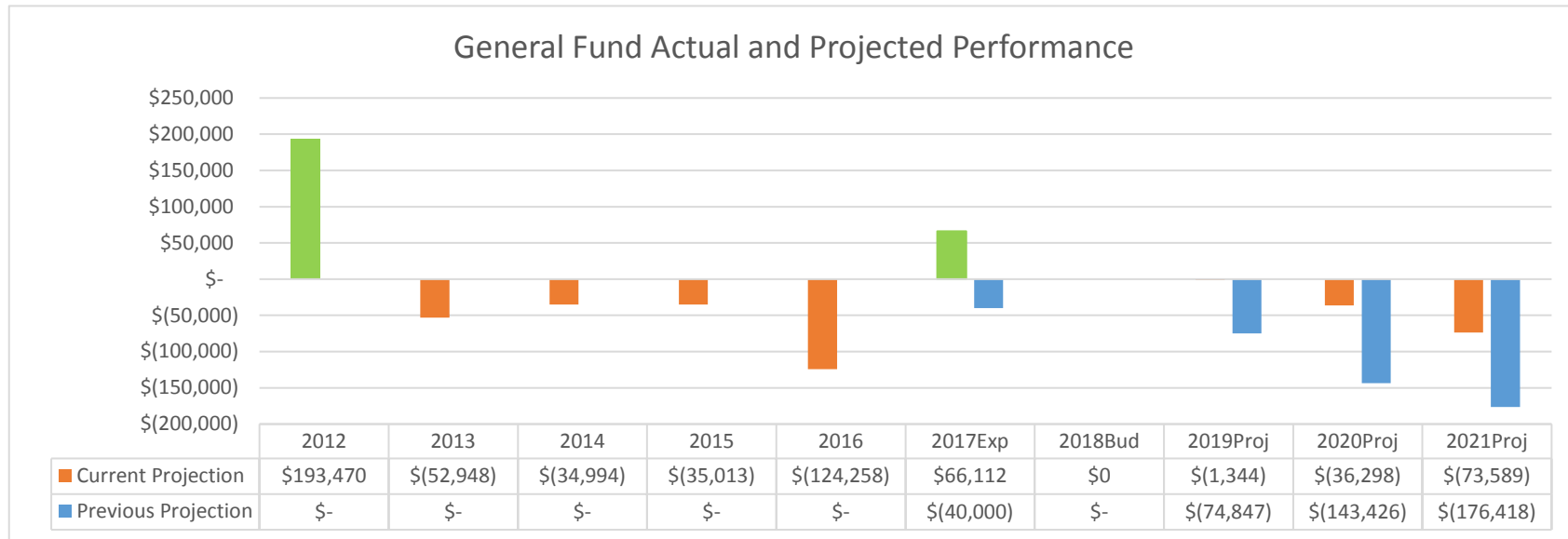
Assumptions & Notes

Total costs decreased **21.0%** due to proposed reductions or eliminations of some appropriations. These recommendations are consistent with Council's directive to move the budget toward sustainability; however, like other budgetary decisions, appropriation requests are City Council's prerogative.

<u>Details</u>	2016	2017		2018					2019	2020	2021
	Actual	Budget	Expected	Requested	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
801 APPROPRIATIONS											
890.000 Alternatives for Area Youth	\$13,000	\$13,000	\$13,000	\$13,000	\$6,500	\$6,500	(\$6,500)	-50.0%	\$6,500	\$13,000	\$13,000
891.001 211	3,000	3,000	3,000	3,000	\$0	\$0	-3,000	-100.0%	0	3,000	3,000
892.000 Alliance for Economic Success	46,518	46,518	46,518	46,518	\$46,518	\$46,518	0	0.0%	46,518	46,518	46,518
893.000 Manistee County Baseball League	3,500	3,500	3,500	3,500	\$0	\$0	-3,500	-100.0%	0	3,500	3,500
893.500 MAPS Paine Pool	40,000	40,000	40,000	40,000	\$40,000	\$40,000	0	0.0%	40,000	40,000	40,000
894.000 Manistee Recreation Assoc.	28,500	28,500	28,500	28,500	\$27,000	\$27,000	-1,500	-5.3%	27,000	27,000	27,000
894.500 Manistee Saints	6,000	6,000	6,000	6,000	\$3,000	\$3,000	-3,000	-50.0%	3,000	3,000	3,000
895.000 Manistee County Historical Museum	10,500	10,500	10,500	10,500	\$9,000	\$9,000	-1,500	-14.3%	9,000	9,000	9,000
896.000 PEG	25,500	25,500	25,500	25,500	\$0	\$0	-25,500	-100.0%	0	0	0
897.000 Ramsdell Theatre	0	70,000	70,000	65,000	\$62,500	\$62,500	-7,500	-10.7%	57,500	52,500	50,000
899.000 United Veterans Council	1,000	1,000	1,000	1,000	\$1,000	\$1,000	0	0.0%	1,000	1,000	1,000
TOTAL APPROPRIATIONS	\$177,518	\$247,518	\$247,518	\$242,518	\$195,518	\$195,518	(\$52,000)	-21.0%	\$190,518	\$198,518	\$196,018

Projections

The budget incorporates three-year financial projections. This feature aids Council and Administration decision-making and long-term planning, and prevents the need to produce a separate document. Compared to last year, the projections show a greatly reduced level of deficit, and one that is growing much more slowly, but a deficit nonetheless.



The projections are based on a wide variety of assumptions and estimates, many of which are outside the direct control of the City. Significant assumptions are as follows: Revenue projections assume that property taxes grow by 2.0%, 2.5% and 2% over the three year period; revenue sharing increases at about 2.5% per year; and PILT agreements are phased out as per the pending utility agreements.

Employee wage and benefit costs assume no change in staffing and use available information to model future wage, benefit, pension and fringe costs. The biggest unknown in this area is future investment returns on the MERS retirement portfolio. Health insurance is assumed to maintain the status quo, subject to the State hardcap. Most other expenses are adjusted for inflation, typically 2% per year, unless there is specific information to model. For example, Street contributions go up \$5,000 per year and operating contributions to the Ramsdell Theater decline by an additional \$12,500 by FY2021. Assessing is assumed to continue to be contracted out.

Downtown Development Authority

The City of Manistee Downtown Development Authority was originally established via ordinance passed on January 19, 1982. On April 2, 1985, City Council approved the original Development and Tax Increment Financing Plan and Ordinance. The plan estimated that the dissolution of the DDA would occur on or before the year 2000, but had no firm sunset date.

On March 30, 1989 City Council amended the DDA Ordinance to accomplish three major items. First, the ordinance adopts the Central Business District plan (part of the City's Master Plan) as a guiding document in the DDA's improvement plan. Second, it permits bonding by the DDA. Third, it establishes a sunset date for the DDA of January 1, 2009 (or if bond obligations exist, when those are paid off).

On September 16, 2008, Council amended the DDA Ordinance to allow for more money to be spent on administration in order to support the hiring of a Main Street\DDA Director.

The DDA currently has a bond obligation that expires in 2020. Absent any additional financing (which would have to be approved by City Council), the DDA will dissolve at that time. Recently, the DDA has been discussing updating the DDA Development and Tax Increment Financing Plan. This would, amongst other things, identify projects and priorities for the DDA moving forward, and extend the sunset date of the DDA.

The DDA is estimated to receive \$259,000 in captured taxes for the upcoming fiscal year. City operating taxes comprise almost 60% of this total. The City views the DDA as an important partner and crucial to the success of the Downtown. However, the City provides an extremely high level of service to the DDA District, far beyond what is delivered in any other area of the City. Although it is providing these enhanced services, it is receiving very little in the way of reimbursement from the DDA. Any discussion of amending the DDA Ordinance to extend the life of the DDA has to have an open and frank discussion of both the level of reimbursement and the prioritization of any capital expenditures.

The proposed City budget includes an additional \$12,000 reimbursement for services bringing the total to \$22,000. In addition, the budget proposes taking over DDA landscaping for \$18,000. The City and DDA are also in talks to move the DDA offices to City Hall.

Enterprise Funds

Water & Sewer



Overview

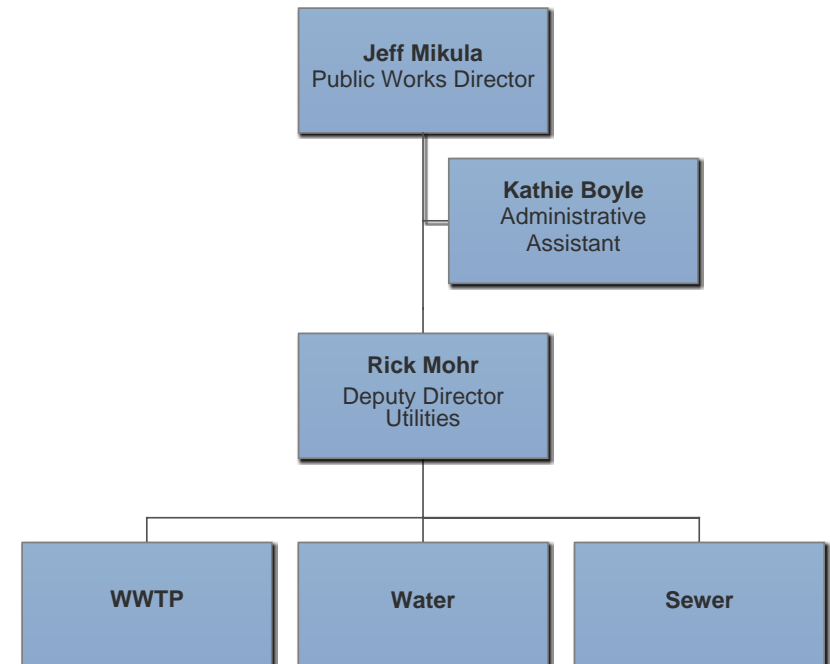
The Water & Sewer Utility (WSU) is under the direction of Public Works Director Jeff Mikula. Jeff has been with the City for 4 years.

The WSU performs a variety of tasks, all of which are important to the City and its residents. The Water department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations. The WWTP is responsible for treating and disposal of the City wastewater stream, operating lift stations, testing, system maintenance, and ensuring compliance with the City's NPDES permit and Local, State and Federal regulations. The Sewer department is responsible for maintaining the sewer infrastructure, and monitoring CSO and SSO. All parties work together to ensure the highest treatment standards for both water and sewer so that the public health and environment is protected.

The WSU is an enterprise fund and the second biggest in terms of revenue for all City funds. All of the WSU revenues and expenses, capital outlays and debt service are accounted for in one fund. Enterprise funds should be self-supporting. That is, the users of the system should pay all the costs associated with operating, maintaining and servicing the debt of the system. In fact, the City is required by law and ordinance to ensure that sufficient funds are available to provide for the debt service, operation and maintenance of the WSU.

The WSU has taken on a significant amount of debt in the recent past to fund State-mandated combined sewer separation projects. All of the major street segments have now been completed. Remaining work includes closing off the last outfall as extended by a new NPDES permit and addressing inflow and/or infiltration issues. The City recently issued a \$2,770,000 revenue bond to fund capital projects including the Riverbank Sewer and Sixth Avenue Pump Station, as well as several others.

The proposed budget continues to implement the Burton & Associates rate study and proposes an 3.5% increase.



	2016 Actual	2017		Proposed	2018		Change		2019 Projected	2020 Projected	2021 Projected
		Budget	Expected		Adopted	Difference					
TOTAL REVENUES	\$ 4,663,442	\$ 5,179,176	\$ 5,013,746	\$ 5,925,125	\$ 5,925,125	\$ 745,949	14.4%		\$ 4,734,201	\$ 4,892,952	\$ 5,065,501
TOTAL GENERAL	\$ 628,611	\$ 577,893	\$ 577,393	\$ 591,188	\$ 591,188	\$ 13,295	2.3%		\$ 570,201	\$ 586,155	\$ 610,926
TOTAL ADMINISTRATION	\$ 515,846	\$ 557,139	\$ 557,708	\$ 600,079	\$ 600,079	\$42,940	7.7%		\$654,161	\$669,172	\$691,008
TOTAL WATER OPERATION	\$ 595,230	\$ 623,240	\$ 597,820	\$ 641,208	\$ 641,208	\$17,968	2.9%		\$647,239	\$661,202	\$675,454
TOTAL WWTP	\$ 631,273	\$ 641,123	\$ 597,930	\$ 695,126	\$ 695,126	\$ 54,003	8.4%		\$ 721,845	\$ 733,976	\$ 748,909
TOTAL SEWER COLLECTION	\$ 151,765	\$ 238,408	\$ 230,840	\$ 258,809	\$ 258,809	\$20,401	8.6%		\$ 262,963	\$ 268,980	\$ 275,274
TOTAL OPERATING EXPENSES	\$ 2,522,726	\$ 2,637,803	\$ 2,561,691	\$ 2,786,410	\$ 2,786,410	\$ 148,607	5.6%		\$ 2,856,409	\$ 2,919,484	\$ 3,001,570
AVAILABLE FOR DEBT SERVICE	\$ 2,140,716	\$ 2,541,373	\$ 2,452,055	\$ 3,138,715	\$ 3,138,715				\$ 1,877,792	\$ 1,973,468	\$ 2,063,931
TOTAL DEBT SERVICE	\$ 1,702,487	\$ 1,703,248	\$ 1,699,723	\$ 1,696,323	\$ 1,696,323	\$ (6,925)	-0.4%		\$ 1,881,641	\$ 2,075,756	\$ 1,248,665
SURPLUS\DEFICIT BEFORE CAPEX\GRANT	\$ 438,229	\$ 838,125	\$ 752,332	\$ 1,442,392	\$ 1,442,392				\$ (3,849)	\$ (102,288)	\$ 815,266
TOTAL SAW Grant	\$ 174,861	\$ 600,000	\$ 750,000	\$ 980,139	\$ 980,139	\$ 380,139	63.4%		\$ -	\$ -	\$ -
TOTAL CAPITAL EXPENDITURES	\$ 709,713	\$ 1,334,500	\$ 1,409,500	\$ 280,000	\$ 280,000	\$ (1,054,500)	-79.0%		\$ 5,245,000	\$ 5,322,400	\$ 150,000
CASH IMPACT BEFORE FINANCING	\$ (446,345)	\$ (1,096,375)	\$ (1,407,168)	\$ 182,253	\$ 182,253				\$ (5,248,849)	\$ (5,424,688)	\$ 665,266
FINANCING SOURCES	\$ 767,093	\$ 1,532,000	\$ 1,532,000	\$ -	\$ -				\$ 5,426,748	\$ 5,000,000	\$ -
FINAL CASH IMPACT	\$ 320,749	\$ 435,625	\$ 124,832	\$ 182,253	\$ 182,253				\$ 177,899	\$ (424,688)	\$ 665,266
BEG UNRESTRICTED CASH & INV			\$ 578,559		\$ 703,391				\$ 885,644	\$ 1,063,543	\$ 638,855
ENDING UNRESTRICTED CASH	\$ 578,559		\$ 703,391		\$ 885,644				\$ 1,063,543	\$ 638,855	\$ 1,304,121
Working Capital Needs (35% O&M)	\$ 722,766		\$ 758,613		\$ 838,244				\$ 864,293	\$ 883,029	\$ 905,412
Working Capital Surplus\ (Deficit)	\$ (144,207)		\$ (55,222)		\$ 47,400				\$ 199,250	\$ (244,174)	\$ 398,708

Issues

The water and sewer utility has several key issues that it will be facing in the coming year:

1. Ongoing work on the Stormwater, Asset Management and Wastewater (SAW) grant. The City received a SAW grant for \$1,757,000 with a local match of \$147,500. The SAW grant will help provide critical information to address the closing of the last combined sewer outfall. It will also create a GIS centric asset management plan for our wastewater assets.
2. Implementation of previous agreements with Manistee and Filer Charter Townships.
3. Negotiation of a new sewer agreement with Manistee Township.
4. Closing the last combined sewer outfall by December, 2020. This will require significant engineering and construction efforts and will necessitate incurring additional debt. However, it is likely that planned rates will be adequate to support the needed borrowing.
5. Continued implementation of the Burton & Associates Rate Study recommendations.

The water and sewer utility is a critical City asset. The initiatives above will help position it for success in the long-term.

Rates

Per the Burton rate study, rates are budgeted to be increased 3.5%. With the increase, a 6,000 gallon per month customer would see their bill increase by \$2.77 per month or \$33.22 per year. The combined monthly water & sewer bill for a 6,000 gallon per month customer would be \$81.86.

Illustrative Monthly Bill

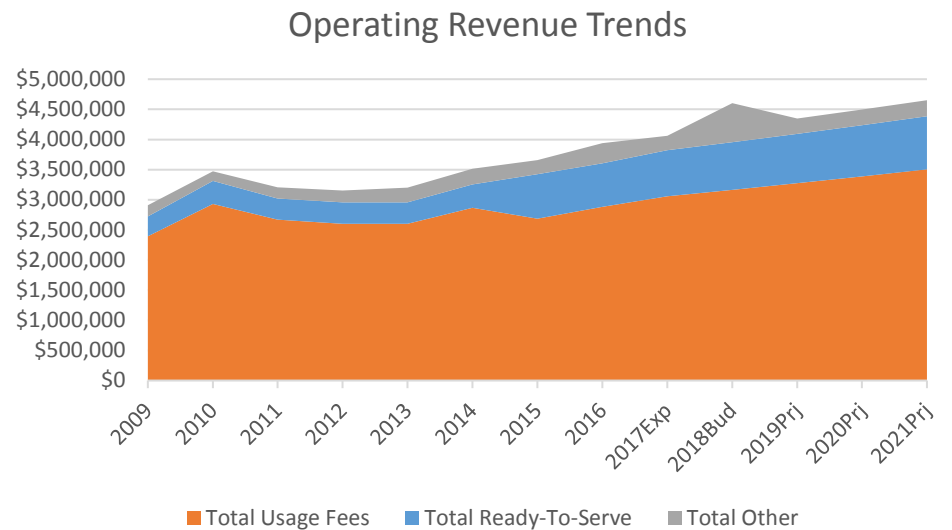
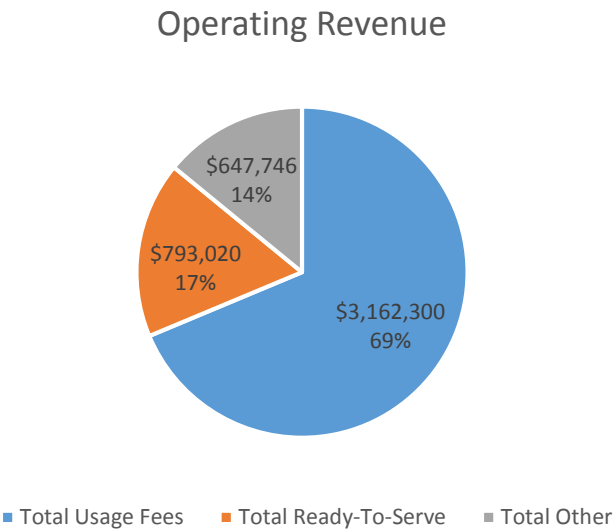
Gallons Used:	1000	2000	3000	4000	5000	6000
Water	\$7.08	\$10.01	\$12.94	\$15.87	\$18.80	\$21.72
Sewer	\$19.98	\$28.01	\$36.04	\$44.07	\$52.10	\$60.13
Total	\$27.05	\$38.02	\$48.98	\$59.94	\$70.90	\$81.86

Revenue

Description

Revenue is derived primarily from user rates and charges. It also receives money from leasing space on its water towers, new services and capital cost recovery. Bills are issued monthly. Rates are comprised of ready-to-serve charges based on meter size and water consumption. City rate increases since 2001 have lagged the The U.S. Consumer Price Index (CPI) Water & Sewerage Maintenance Series, which measures the average national change in the cost of water and sewer service to households.

Analysis & Infographics



Assumptions & Notes

Operating revenue (excluding grants and transfers) increased **10.0%** compared to the prior year budget. The increase is due to the 3.5% rate increase and is higher than the rate increase percentage primarily because of an anticipated \$400,000 sewer capacity charge payment from Filer Township.

Details

000 REVENUES

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
539.000 State Grant	\$268,545	\$600,000	\$712,500	\$767,125	\$767,125	\$167,125	27.9%	\$0	\$0	\$0
608.000 Penalties	42,731	43,456	44,000	43,509	43,509	53	0.1%	45,031	46,607	48,239
610.000 Water RTS	185,962	211,045	197,120	204,019	204,019	-7,026	-3.3%	211,160	218,550	226,200
611.000 Sewer RTS	536,871	640,494	569,083	589,001	589,001	-51,493	-8.0%	609,616	630,952	653,036
612.000 New Service	12,700	15,000	25,000	425,000	425,000	410,000	2733.3%	25,875	26,781	27,718
626.000 Charge for Service	440	500	500	500	500	0	0.0%	518	536	554
648.000 Water Sales	856,559	919,209	907,953	939,731	939,731	20,523	2.2%	972,622	1,006,664	1,041,897
649.000 Sewer Sales	2,025,857	2,179,798	2,147,409	2,222,568	2,222,568	42,771	2.0%	2,300,358	2,380,871	2,464,201
650.000 Meter Sales	5,326	6,700	10,000	7,000	7,000	300	4.5%	7,245	7,499	7,761
664.000 Interest Income	8,860	2,500	10,000	7,000	7,000	4,500	180.0%	7,245	7,499	7,761
667.000 Rental Income	128,264	99,293	99,293	102,781	102,781	3,489	3.5%	105,647	108,125	110,673
669.000 Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%	21,600	21,600	21,600
671.000 Other Revenue	11,587	7,500	8,500	7,500	7,500	0	0.0%	7,763	8,034	8,315
676.000 Reimbursement	25,545	10,000	-8,117	5,000	5,000	-5,000	-50.0%	5,175	5,356	5,544
680.000 Capital Cost Recovery	62,878	23,856	23,856	23,856	23,856	0	0.0%	23,856	23,856	23,856
687.000 Refunds	4,500	4,000	4,000	4,000	4,000	0	0.0%	4,000	4,000	4,000
695.000 Insurance Settlement	7536.57	0	1,500	0	0	0		0	0	0
699.000 Transfer In	457,680	394,226	394,226	390,928	390,928	-3,298	-0.8%	386,491	396,023	414,147
TOTAL REVENUES	\$ 4,663,442	\$ 5,179,176	\$ 5,168,423	\$ 5,761,118	\$ 5,761,118	\$ 581,942	11.2%	\$ 4,734,201	\$ 4,892,952	\$ 5,065,501

General

Description

Expenses impacting the overall WSU and not relating to a specific department or function are presented here.

Assumptions & Notes

Total expense increased **2.3%** from the prior year budget. The difference is attributable to slight reduction in the pass-through oil & gas fund transfer out and normal inflation of the rate study implemented utility ownership fee.

Details

	2016 Actual	2017		2018				2019	2020	2021
		Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
100 GENERAL										
799.000 Miscellaneous Expense	\$0	\$500	\$0	\$500	\$500	\$0	0.0%	\$ 510	\$ 520	\$ 531
961.000 Utility Ownership Fee	170,931	183,167	183,167	199,760	199,760	16,593	9.1%	183,200	189,612	196,248
964.000 Refunds	0	0	0	0	0	0		0	0	0
999.000 Transfer Out	457,680	394,226	\$ 394,226	\$ 390,928	\$ 390,928	-3,298	-0.8%	386,491	396,023	414,147
TOTAL GENERAL	\$ 628,611	\$ 577,893	\$ 577,393	\$ 591,188	\$ 591,188	\$ 13,295	2.3%	\$ 570,201	\$ 586,155	\$ 610,926

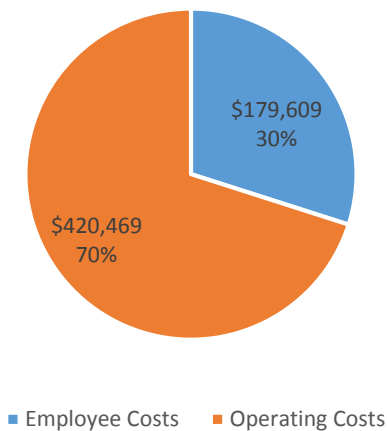
Admin

Description

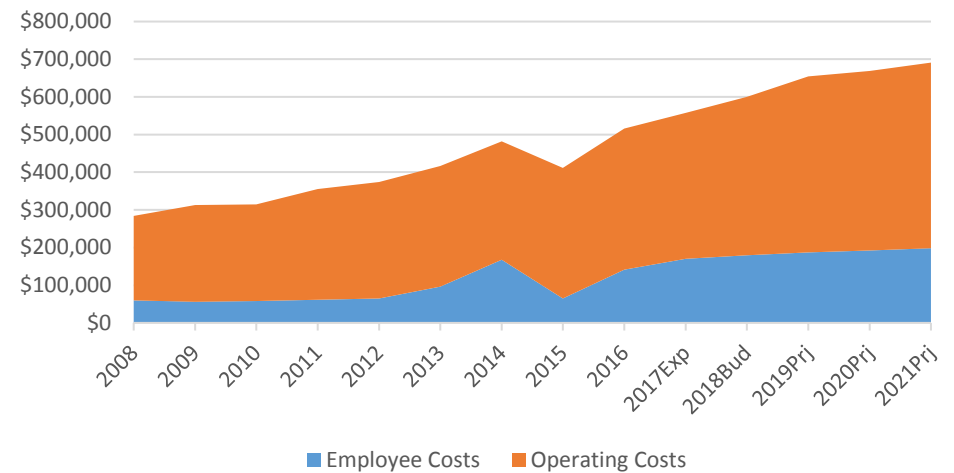
The WSU Admin department records the administrative expenses of the WSU. It includes the cost of two administrative employees, as well as the administration\reimbursement fee paid to the City's general fund.

Analysis & Infographics

Admin Expenses



Admin Expense Trends



Assumptions & Notes

Total expense increased **7.7%** from the prior budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operating costs increased because of the normal inflation in the administrative fee which is tied to revenue and funding a portion of the new financial management software suite.

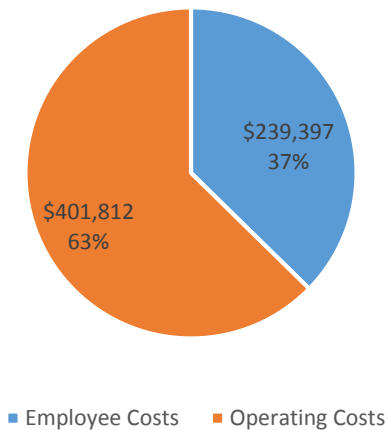
Water

Description

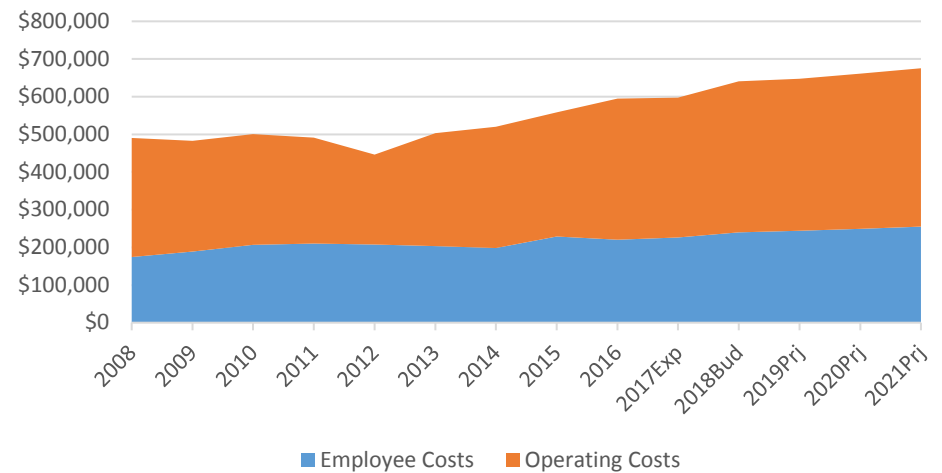
The water department accounts for the water operations of the WSU. It includes the cost of three employees. The department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations. There are three people budgeted in the department.

Analysis & Infographics

Water Expenses



Water Expense Trends



Assumptions & Notes

Total expense increased **2.9%** from the prior budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operating costs increased due to a variety of items. Sharply lower repairs and maintenance was offset by higher chemicals, meters, contractual repairs and maintenance, retiree health insurance and capital outlay.

Details

542 WATER OPERATION

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$125,347	\$131,498	\$131,500	\$134,980	\$134,980	\$3,483	2.6%	\$137,700	\$140,500	\$143,300
703.000 Longevity	0	\$0	\$0	0	0	0		\$0	\$0	\$0
704.000 Overtime	25,393	\$22,742	\$22,500	22,742	22,742	0	0.0%	\$23,000	\$23,250	\$23,500
705.000 Standby Pay - 2E	0	\$0	\$0	0	0	0		\$0	\$0	\$0
706.000 Part Time	0	\$0	\$0	0	0	0		\$0	\$0	\$0
708.000 V\SH Sellback	0	\$3,000	\$500	3,000	3,000	0	0.0%	\$1,000	\$1,000	\$1,000
712.001 Costs - Social Security	8,796	\$8,796	\$9,600	9,012	9,012	216	2.5%	\$9,960	\$10,150	\$10,340
712.002 Costs - Medicare	2,060	\$2,057	\$2,200	2,108	2,108	50	2.5%	\$2,330	\$2,370	\$2,420
712.004 Costs - ICMA Contribution	0	\$0	\$0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS Contribution	4376.84	\$6,648	\$6,600	6,948	6,948	300	4.5%	\$7,900	\$8,900	\$10,000
712.006 Costs - In Lieu of BC/BS	0	\$0	\$0	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	842	\$410	\$410	713	713	302	73.7%	\$730	\$740	\$750
712.009 Costs - Workers Compensation	5,113	\$4,982	\$4,980	5,291	5,291	310	6.2%	\$5,400	\$5,510	\$5,620
712.010 Costs - Blue Cross Insurance	35,871	\$34,841	\$34,800	41,583	41,583	6,742	19.4%	\$42,600	\$43,700	\$44,800
712.011 Costs - Life Insurance	441	\$454	\$450	338	338	-115	-25.4%	\$340	\$340	\$340
712.013 Costs - HSA	8,500	\$9,000	\$9,000	9,000	9,000	0	0.0%	\$9,000	\$9,000	\$9,000
712.014 Costs - Dental Insurance	2,606	\$2,271	\$2,270	2,620	2,620	349	15.4%	\$2,670	\$2,720	\$2,770
712.015 Costs - Vision\Ancillary	1,033	\$1,062	\$1,060	1,062	1,062	0	0.0%	\$1,080	\$1,100	\$1,120
Employee Costs	\$ 220,377	\$ 227,760	\$ 225,870	\$ 239,397	\$ 239,397	\$ 11,637	5.1%	\$ 243,710	\$ 249,280	\$ 254,960
715.000 Uniform & Cleaning Allowance	\$2,594	\$2,830	\$2,800	\$3,330	\$3,330	\$500	17.7%	\$2,887	\$2,944	\$3,003
728.000 SUPPLIES - Operating	7,596	4,500	9,500	4,500	4,500	0	0.0%	4,590	4,682	4,775
745.000 Chemicals	20,770	21,000	21,000	25,500	25,500	4,500	21.4%	26,010	26,530	27,061
750.000 Meters	16,449	40,000	30,000	60,000	60,000	20,000	50.0%	61,200	62,424	63,672
770.000 Vehicle Gas	5,645	7,500	6,000	7,500	7,500	0	0.0%	7,650	7,803	7,959
801.000 Professional Services	13,625	28,000	28,000	26,500	26,500	-1,500	-5.4%	27,030	27,571	28,122
822.000 Insurance	4,828	6,000	6,000	6,000	6,000	0	0.0%	6,120	6,242	6,367
824.000 Lab Testing	8,825	13,000	9,000	14,500	14,500	1,500	11.5%	13,260	13,525	13,796
831.000 Contractual Repairs & Maint	54,553	17,000	17,000	19,500	19,500	2,500	14.7%	19,380	19,768	20,163
860.000 Travel & Training Expense	2,870	3,000	3,000	4,000	4,000	1,000	33.3%	0	0	0
870.000 Membership & Dues	904	600	600	600	600	0	0.0%	612	624	637
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Costs - Retiree BCBS	0	0	0	3,000	3,000	3,000		3,000	3,000	3,000
920.000 UTILITIES - Gas	0	0	0	0	0	0		0	0	0
925.000 UTILITIES - Electric	67,010	72,000	70,000	72,000	72,000	0	0.0%	73,440	74,909	76,407
930.000 Repairs & Maintenance	122,572	136,000	125,000	105,250	105,250	-30,750	-22.6%	107,355	109,502	111,692
957.000 Motor Pool	36,050	36,050	36,050	37,132	37,132	1,082	3.0%	38,245	39,393	40,575
970.000 Capital Outlay - under \$5,000	10,560	8,000	8,000	12,500	12,500	4,500	56.3%	12,750	13,005	13,265
Operating Costs	\$ 374,853	\$ 395,480	\$ 371,950	\$ 401,812	\$ 401,812	\$6,332	1.6%	\$403,529	\$411,922	\$420,494
TOTAL WATER OPERATION	\$ 595,230	\$ 623,240	\$ 597,820	\$ 641,208	\$ 641,208	\$17,968	2.9%	\$647,239	\$661,202	\$675,454

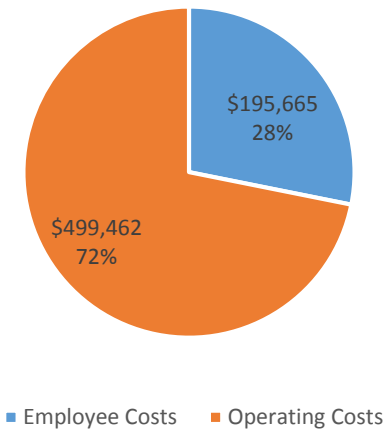
WWTP

Description

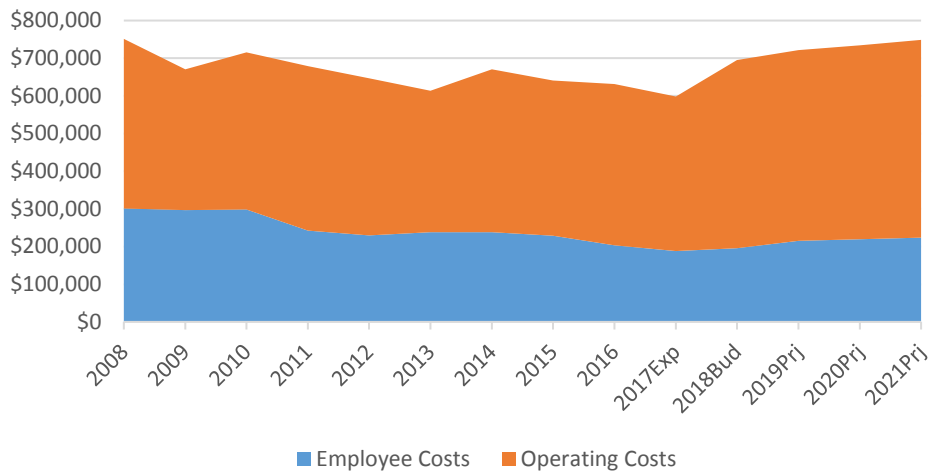
The Wastewater Treatment Plant department accounts for the water resource recovery operations of the WSU. It includes the cost of three employees. The WWTP is responsible for treating and disposal of the City wastewater stream, operating lift stations, testing, system maintenance, and ensuring compliance with the City’s NPDES permit and Local, State and Federal regulations.

Analysis & Infographics

WWTP Expenses



WWTP Expense Trends



Assumptions & Notes

Total costs increased **8.4%** from the prior budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operating costs increased due to higher contractual and normal repairs and maintenance.

<u>Details</u>	2016	2017		2018				2019	2020	2021
543 WWTP	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$126,663	\$117,749	\$117,750	\$125,179	\$125,179	\$7,430	6.3%	\$127,700	\$130,300	\$132,900
703.000 Longevity	0	\$0	\$0	0	0	0		\$0	\$0	\$0
704.000 Overtime	18,012	\$5,250	\$10,000	5,250	5,250	0	0.0%	\$20,000	\$20,000	\$20,000
705.000 Standby Pay - 2E	0	\$0	\$0	0	0	0		\$0	\$0	\$0
706.000 Part Time	0	\$0	\$0	0	0	0		\$0	\$0	\$0
708.000 V/S\H Sellback	11,045	\$2,000	\$2,000	2,000	2,000	0	0.0%	\$1,000	\$1,000	\$1,000
712.001 Costs - Social Security	9,317	\$7,818	\$7,900	8,279	8,279	461	5.9%	\$9,160	\$9,320	\$9,480
712.002 Costs - Medicare	2,180	\$1,828	\$1,900	1,936	1,936	108	5.9%	\$2,140	\$2,180	\$2,220
712.004 Costs - ICMA Contribution	0	\$0	\$0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS Contribution	1317.11	\$4,401	\$5,200	5,717	5,717	1,316	29.9%	\$6,500	\$7,300	\$8,200
712.006 Costs - In Lieu of BC/BS	0	\$0	\$0	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	875	\$410	\$410	713	713	302	73.7%	\$730	\$740	\$750
712.009 Costs - Workers Compensation	3,509	\$2,866	\$2,870	2,987	2,987	121	4.2%	\$3,050	\$3,110	\$3,170
712.010 Costs - Blue Cross Insurance	19,897	\$29,017	\$29,000	32,258	32,258	3,241	11.2%	\$33,100	\$33,900	\$34,700
712.011 Costs - Life Insurance	454	\$454	\$450	338	338	-115	-25.4%	\$340	\$340	\$340
712.013 Costs - HSA	7,125	\$7,500	\$7,500	7,500	7,500	0	0.0%	\$7,500	\$7,500	\$7,500
712.014 Costs - Dental Insurance	1,589	\$2,038	\$2,040	2,445	2,445	408	20.0%	\$2,490	\$2,540	\$2,590
712.015 Costs - Vision\Ancillary	1,047	\$1,062	\$1,060	1,062	1,062	0	0.0%	\$1,080	\$1,100	\$1,120
Employee Costs	\$ 203,030	\$ 182,393	\$ 188,080	\$ 195,665	\$ 195,665	\$13,272	7.3%	\$ 214,790	\$ 219,330	\$ 223,970
715.000 Uniform & Cleaning Allowance	\$3,102	\$2,940	\$3,000	\$2,940	\$2,940	\$0	0.0%	\$2,999	\$3,059	\$3,120
728.000 SUPPLIES - Operating	34,384	25,540	25,000	25,540	25,540	0	0.0%	26,051	26,572	27,103
745.000 Chemicals	24,951	29,900	25,000	26,500	26,500	-3,400	-11.4%	27,030	27,571	28,122
770.000 Vehicle Gas	2,827	4,250	3,500	4,250	4,250	0	0.0%	4,335	4,422	4,510
801.000 Professional Services	27,815	16,000	10,000	11,000	11,000	-5,000	-31.3%	11,220	11,444	11,673
822.000 Insurance	21,298	21,000	20,000	21,000	21,000	0	0.0%	21,420	21,848	22,285
824.000 Lab Testing	5,742	10,000	8,000	8,250	8,250	-1,750	-17.5%	8,415	8,583	8,755
831.000 Contractual Repairs & Maint.	77,211	64,150	65,000	80,950	80,950	16,800	26.2%	80,733	82,348	83,995
860.000 Travel & Training Expense	2,124	4,000	3,500	6,000	6,000	2,000	50.0%	6,120	6,242	6,367
870.000 Membership & Dues	493	400	400	400	400	0	0.0%	408	416	424
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Costs - Retiree BCBS	625	3,000	3,000	3,000	3,000	0	0.0%	2,500	0	0
920.000 UTILITIES - Gas	15,734	18,000	15,000	16,000	16,000	-2,000	-11.1%	16,320	16,646	16,979
925.000 UTILITIES - Electric	129,909	140,000	125,000	130,000	130,000	-10,000	-7.1%	132,600	135,252	137,957
930.000 Repairs & Maintenance	22,014	83,500	65,000	126,500	126,500	43,000	51.5%	129,030	131,611	134,243
957.000 Motor Pool	36,050	36,050	36,050	37,132	37,132	1,082	3.0%	37,874	38,632	39,404
970.000 Capital Outlay - under \$5,000	23,964	0	2,400	0	0	0		0	0	0
Operating Costs	\$ 428,243	\$ 458,730	\$ 409,850	\$ 499,462	\$ 499,462	\$ 40,732	8.9%	\$ 507,055	\$ 514,646	\$ 524,939
TOTAL WWTP	\$ 631,273	\$ 641,123	\$ 597,930	\$ 695,126	\$ 695,126	\$ 54,003	8.4%	\$ 721,845	\$ 733,976	\$ 748,909

Sewer

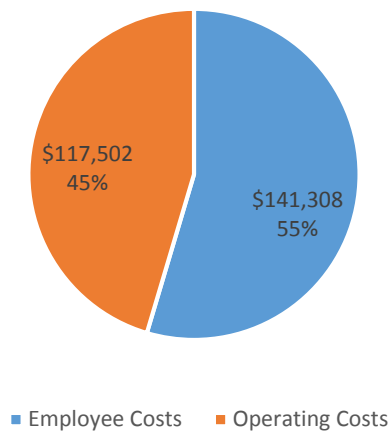
Description

The Sewer department is responsible for maintaining the sewer infrastructure, including pipes and manholes, and monitoring CSO and SSO. It includes the cost of two employees.

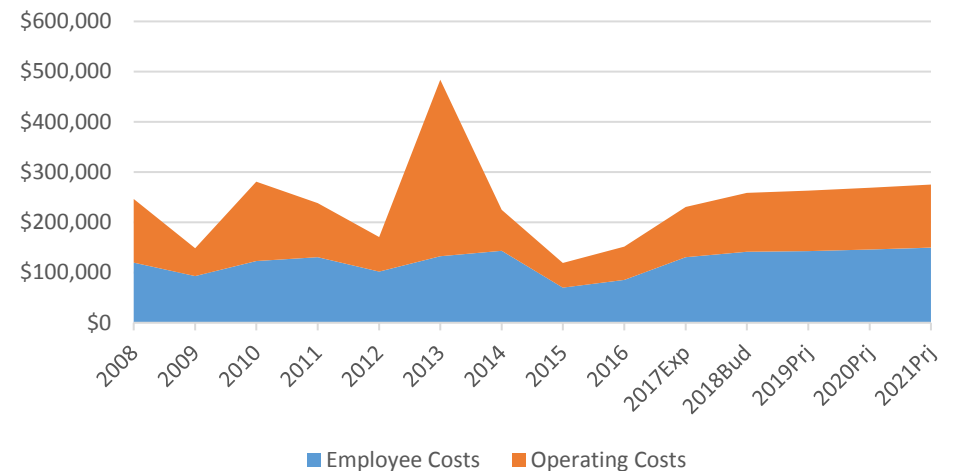
Analysis & Infographics

The spike in 2013 was due to the SSES grant expenses.

Sewer Expenses



Sewer Expense Trends



Assumptions & Notes

Total costs increased **8.6%** from the prior budget. Employee costs increased due to wage adjustments, health insurance premiums and pension contributions. Operating costs increased due to contractual and regular repairs and maintenance.

Details

544 SEWER COLLECTION

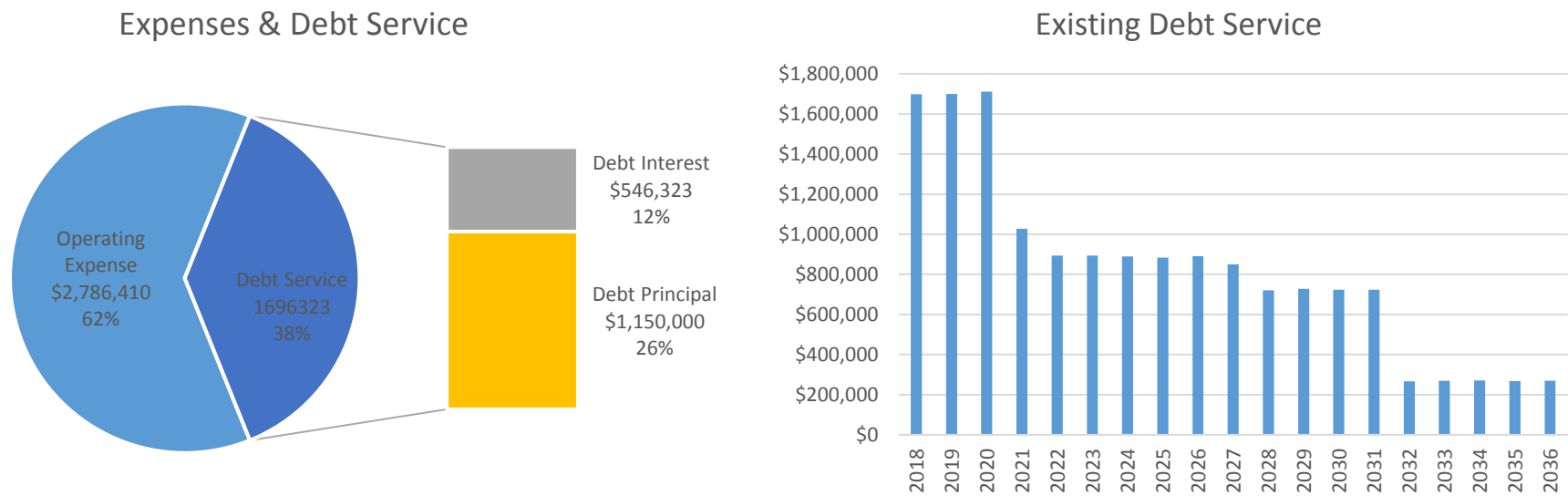
	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$54,881	\$85,738	\$85,740	\$84,146	\$84,146	(\$1,592)	-1.9%	\$85,800	\$87,500	\$89,300
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	4,913	5,000	6,000	5,000	5,000	0	0.0%	5,000	5,000	5,000
705.000 Standby Pay - 2E	0	0	0	0	0	0		0	0	0
706.000 Part Time	0	0	0	0	0	0		0	0	0
708.000 V\S\H Sellback	0	2,000	500	2,000	2,000	0	0.0%	2,000	2,000	2,000
712.001 Costs - Social Security	3,390	5,790	5,700	5,691	5,691	-99	-1.7%	5,630	5,740	5,850
712.002 Costs - Medicare	793	1,354	1,300	1,331	1,331	-23	-1.7%	1,320	1,340	1,370
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		0	0	0
712.005 Costs - MERS Contribution	238.21	1,751	4,000	4,221	4,221	2,470	141.1%	4,800	5,400	6,100
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		0	0	0
712.007 Costs - SUTA	566	274	270	475	475	202	73.7%	480	490	500
712.009 Costs - Workers Compensation	1,730	2,114	2,110	2,041	2,041	-73	-3.4%	2,080	2,120	2,160
712.010 Costs - Blue Cross Insurance	13,710	16,543	16,500	27,722	27,722	11,179	67.6%	28,400	29,100	29,800
712.011 Costs - Life Insurance	189	302	300	226	226	-77	-25.4%	230	230	230
712.013 Costs - HSA	3,250	4,500	6,000	6,000	6,000	1,500	33.3%	4,500	4,500	4,500
712.014 Costs - Dental Insurance	1,066	1,164	1,160	1,747	1,747	582	50.0%	1,780	1,820	1,860
712.015 Costs - Vision\Ancillary	443	708	710	708	708	0	0.0%	720	730	740
Employee Costs	\$ 85,168	\$ 127,238	\$ 130,290	\$ 141,308	\$ 141,308	\$ 14,069	11.1%	\$ 142,740	\$ 145,970	\$ 149,410
715.000 Uniform & Cleaning Allowance	\$1,470	\$1,620	\$1,300	\$1,620	\$1,620	\$0	0.0%	\$1,652	\$1,685	\$1,719
728.000 SUPPLIES - Operating	2,773	3,500	3,000	3,500	3,500	0	0.0%	3,570	3,641	3,714
745.000 Chemicals	0	1,000	200	1,000	1,000	0	0.0%	1,020	1,040	1,061
770.000 Vehicle Gas	0	0	0	0	0	0		0	0	0
801.000 Professional Services	0	35,000	25,000	35,000	35,000	0	0.0%	35,700	36,414	37,142
831.000 Contractual Repairs & Maint.	676	15,000	15,000	20,000	20,000	5,000	33.3%	20,400	20,808	21,224
860.000 Travel & Training Expense	0	750	0	750	750	0	0.0%	765	780	796
870.000 Membership & Dues	0	0	0	0	0	0		0	0	0
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Costs - Retiree BCBS	0	0	0	0	0	0		0	0	0
930.000 Repairs & Maintenance	25,228	14,000	18,000	16,000	16,000	2,000	14.3%	16,320	16,646	16,979
957.000 Motor Pool	36,050	36,050	36,050	37,132	37,132	1,082	3.0%	38,245	39,393	40,575
970.000 Capital Outlay - under \$5,000	400	4,250	2,000	2,500	2,500	-1,750	-41.2%	2,550	2,601	2,653
Operating Costs	\$ 66,597	\$ 111,170	\$ 100,550	\$ 117,502	\$ 117,502	\$6,332	5.7%	\$ 120,223	\$ 123,010	\$ 125,864
TOTAL SEWER COLLECTION	\$ 151,765	\$ 238,408	\$ 230,840	\$ 258,809	\$ 258,809	\$20,401	8.6%	\$ 262,963	\$ 268,980	\$ 275,274

Debt Service

Description

The Debt Service department accounts for the WSU bonded indebtedness. There is currently \$15.7 million in debt issues outstanding. It is hoped that most normal capital expenditures moving forward will be able to be funded without additional debt issuance. The large investment needed to close off the last remaining combined sewer overflow and comply with the NPDES permit will require additional debt issuance; however, it is anticipated that by using a 40-year low interest rural development loan, unscheduled rate increases can be avoided.

Analysis & Infographics



Assumptions & Notes

Debt service decreased **0.4%** from the prior budget. The debt schedule is designed to have relatively level payments.

Details

574 DEBT SERVICE

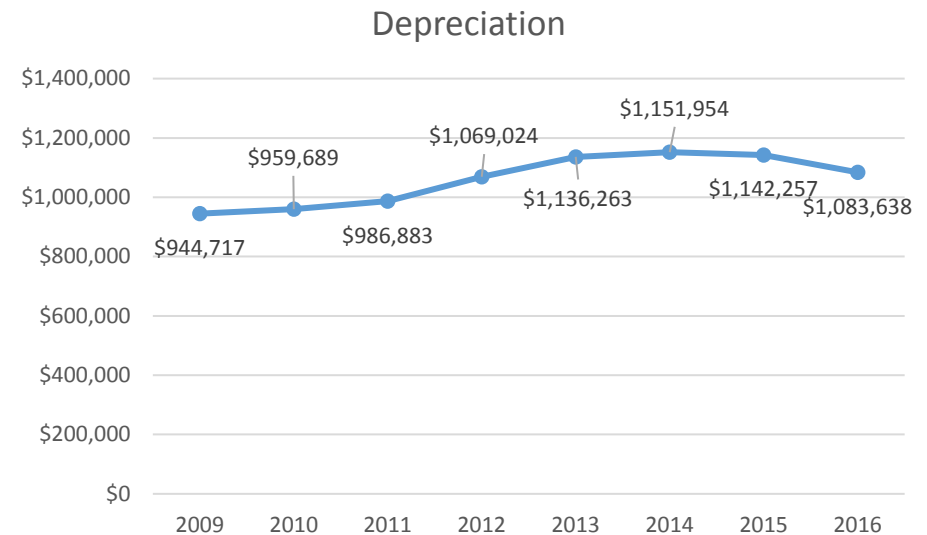
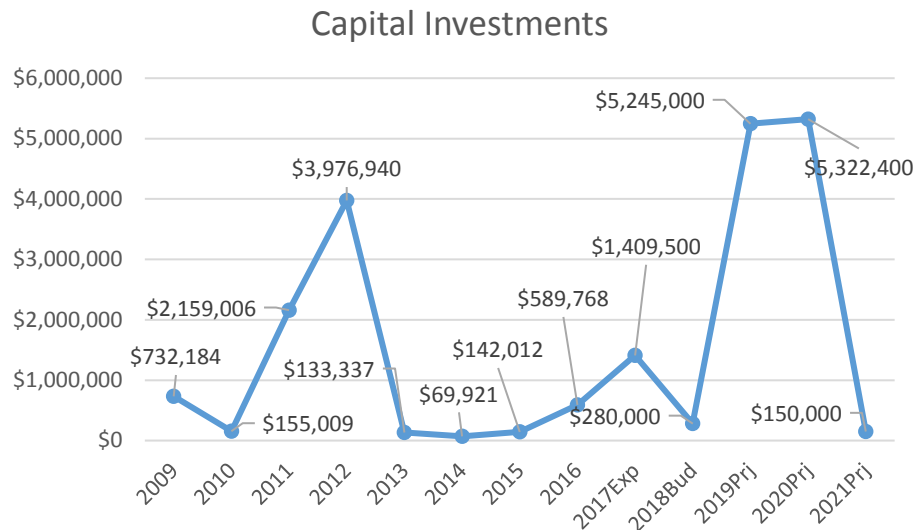
	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
960.000 Bank Charges	\$1,553	\$1,500	\$1,600	\$1,600	\$1,600	\$100	6.7%	\$1,600	\$1,600	\$1,600
969.000 Bond Issuance Expenses	0	0	0	0	0			0	0	0
995.003 1997 B SRF Bond Interest	1,463	788	788	0	0	-788	-100.0%	0	0	0
995.005 1998 B SRF Bond Interest	12,488	9,056	9,056	5,513	5,513	-3,543	-39.1%	1,856	0	0
995.007 1999 B SRF Bond Interest	18,688	15,500	11,875	8,563	8,563	-6,937	-44.8%	5,188	1,750	0
995.008 2005 Refunding Interest	133,283	112,913	112,913	91,435	91,435	-21,478	-19.0%	68,035	39,743	21,868
995.009 2006 SRF Interest	28,393	26,199	26,199	23,924	23,924	-2,275	-8.7%	21,649	19,293	16,937
995.010 2010 SRF Interest	13,402	12,652	12,652	11,902	11,902	-750	-5.9%	11,152	10,402	9,652
995.011 2010 DWRF Interest	9,375	8,875	8,875	8,375	8,375	-500	-5.6%	7,575	7,375	6,875
995.013 2011 SRF Interest	27,769	26,629	26,629	24,769	24,769	-1,860	-7.0%	23,629	21,769	20,144
995.014 2011 DWRF Interest	9,314	8,814	8,814	8,314	8,314	-500	-5.7%	7,814	7,314	6,814
995.015 2015 W/S Revenue Interest	86,750	86,750	86,750	86,750	86,750	0	0.0%	86,750	86,675	85,325
999.000 Transfer Out / 2010 CapImp P+I	275,011	273,572	273,572	275,178	275,178	1,606	0.6%	273,023	273,095	272,710
NEW USDA Bond	0	0	0	0	0	0		100,922	200,180	196,818
TOTAL DEBT INTEREST	\$ 617,487	\$ 583,248	\$ 579,723	\$ 546,323	\$ 546,323	\$ (36,925)	-6.3%	\$ 609,193	\$ 669,196	\$ 638,743
300.003 1997 B SRF Bond Principal	\$30,000	\$35,000	\$35,000	\$0	\$0	(\$35,000)	-100.0%	\$0	\$0	\$0
300.005 1998 B SRF Bond Principal	150,000	155,000	155,000	160,000	160,000	5,000	3.2%	165,000	0	0
300.007 1999 B SRF Bond Principal	125,000	130,000	130,000	135,000	135,000	5,000	3.8%	135,000	140,000	0
300.008 2005 Refunding Principal	515,000	530,000	530,000	585,000	585,000	55,000	10.4%	615,000	815,000	75,000
300.009 2006 SRF Principal	135,000	140,000	140,000	140,000	140,000	0	0.0%	145,000	145,000	145,000
300.010 2010 SRF Principal	30,000	30,000	30,000	30,000	30,000	0	0.0%	30,000	30,000	30,000
300.011 2010 DWRF Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%	20,000	20,000	20,000
300.013 2011 SRF Principal	60,000	60,000	60,000	60,000	60,000	0	0.0%	60,000	65,000	65,000
300.014 2011 DWRF Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%	20,000	20,000	20,000
300.015 2015 W/S Revenue Principal	0	0	0	0	0	0		0	5,000	85,000
NEW USDA Bond	0	0	0	0	0	0		82,448	166,561	169,922
TOTAL DEBT PRINCIPAL	\$ 1,085,000	\$ 1,120,000	\$ 1,120,000	\$ 1,150,000	\$ 1,150,000	\$ 30,000		\$ 1,272,448	\$ 1,406,561	\$ 609,922
TOTAL DEBT SERVICE	\$ 1,702,487	\$ 1,703,248	\$ 1,699,723	\$ 1,696,323	\$ 1,696,323	\$ (6,925)	-0.4%	\$ 1,881,641	\$ 2,075,756	\$ 1,248,665

Capital Outlay

Description

This section presents the proposed capital outlays for the WSU.

Analysis & Infographics



Assumptions & Notes

The capital outlay budget includes three items totaling \$280,000. For the wastewater treatment plant there is refurbishing and painting the storage digester lid and upgrading the Cherry Street pump station control panel. For sewers, there is replacing a section of sewer main on 12th Street. The Capital Improvement plan explains these projects and identifies other capital items for the water and sewer fund in the upcoming years. Delaying capital projects due to lack of funds or financing sources does not mean they “go away.” Instead, an environment is created where emergency funds may have to be spent if infrastructure fails before it can be replaced, repaired or upgraded. It is far better to anticipate and schedule capital expenditures so they can be prioritized and a plan put in place to pay for them.

Details

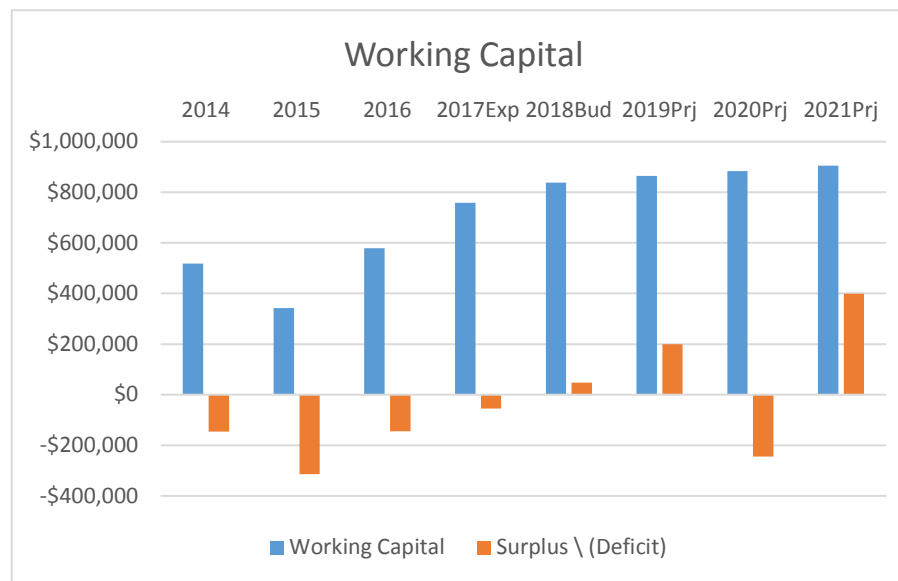
902 OTHER GRANTS	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
988.000 SAW Grant	\$174,861	\$600,000	\$750,000	\$980,139	\$980,139	\$380,139	63.4%	\$0	\$0	\$0
TOTAL SAW Grant	\$ 174,861	\$ 600,000	\$ 750,000	\$ 980,139	\$ 980,139	\$ 380,139	63.4%	\$ -	\$ -	\$ -
CAPITAL EXPENDITURES										
541 Admin Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
542 Water Capital Outlay	193,817	0	6,500	0	0	0		135,000	322,400	0
543 WWTP Capital Outlay	515,896	1,306,500	1,403,000	140,000	140,000	-1,166,500	-89.3%	110,000	0	75,000
544 Sewer Capital Outlay	0	28,000	0	140,000	140,000	112,000	400.0%	5,000,000	5,000,000	75,000
TOTAL CAPITAL EXPENDITURES	\$ 709,713	\$ 1,334,500	\$ 1,409,500	\$ 280,000	\$ 280,000	\$(1,054,500)	-79.0%	\$ 5,245,000	\$ 5,322,400	\$ 150,000
CASH IMPACT BEFORE FINANCING	\$ (446,345)	\$(1,096,375)	\$(1,407,168)	\$ 182,253	\$ 182,253			\$ (5,248,849)	\$ (5,424,688)	\$ 665,266
SRF Loan	\$0	\$0	\$0	\$0	\$0					
DWRF Loan	0	0	0	0	0					
2015 Revenue Bond Issue	0	0	0	0	0					
2015 Revenue Bond Restricted Balance	\$ 767,093	\$ 1,532,000	1,532,000	0	0			426,748		
NEW USDA Bond								5,000,000	5,000,000	0
FINANCING SOURCES	\$ 767,093	\$ 1,532,000	\$ 1,532,000	\$ -	\$ -			\$ 5,426,748	\$ 5,000,000	\$ -
FINAL CASH IMPACT	\$ 320,749	\$ 435,625	\$ 124,832	\$ 182,253	\$ 182,253			\$ 177,899	\$ (424,688)	\$ 665,266
BEG UNRESTRICTED CASH & INV			\$ 578,559		\$ 703,391			\$ 885,644	\$ 1,063,543	\$ 638,855
ENDING UNRESTRICTED CASH	\$ 578,559		\$ 703,391		\$ 885,644			\$ 1,063,543	\$ 638,855	\$ 1,304,121
Working Capital Needs (35% O&M)	\$ 722,766		\$ 758,613		\$ 838,244			\$ 864,293	\$ 883,029	\$ 905,412
Working Capital Surplus\ (Deficit)	\$ (144,207)		\$ (55,222)		\$ 47,400			\$ 199,250	\$ (244,174)	\$ 398,708

Projections

Projections for the water and sewer fund reflect continued implementation of the rate increases recommended by the Burton & Associates rate study. Revenue increases so far have tracked fairly well with the implemented rate increases.

Expenses are assumed to increase at an inflationary rate, unless particular items are identified as current year only. Capital expenditures are included to the degree identified; as well as a placeholder for unknown future work.

Working capital is improving after being short in FY 2015 which caused some cash flow issues.



Municipal Marina



Description

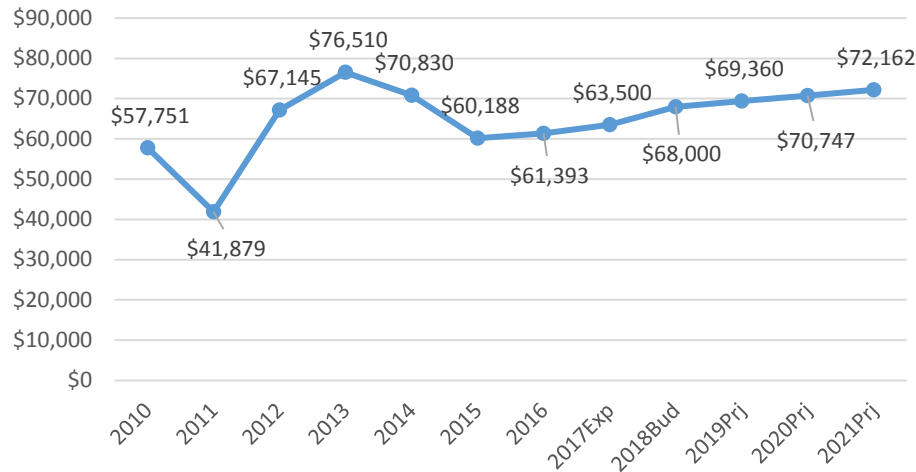
The Municipal Marina fund accounts for the activities of the Manistee Municipal Marina. Recognized as one of the finest public marinas on Lake Michigan, our marina hosts hundreds of boats a year and also serves as the home port for several large fishing tournaments. The gorgeous facility boasts state of the art boater amenities including comfortable day room, children's area, spacious showers, restrooms and laundry facilities. Public restrooms are also accessible from River Street and serve downtown pedestrian traffic. A public gathering/meeting room available for rent is located on the upper level. The marina has 36 slips ranging in length from 30 to 60 feet. It can also accommodate larger vessels (up to 100') with a broadside tie against the Riverwalk seawall. It offers a full array of services including gasoline and diesel fuel, pump out, bath facilities, water and electric hookup and wi-fi.

Issues

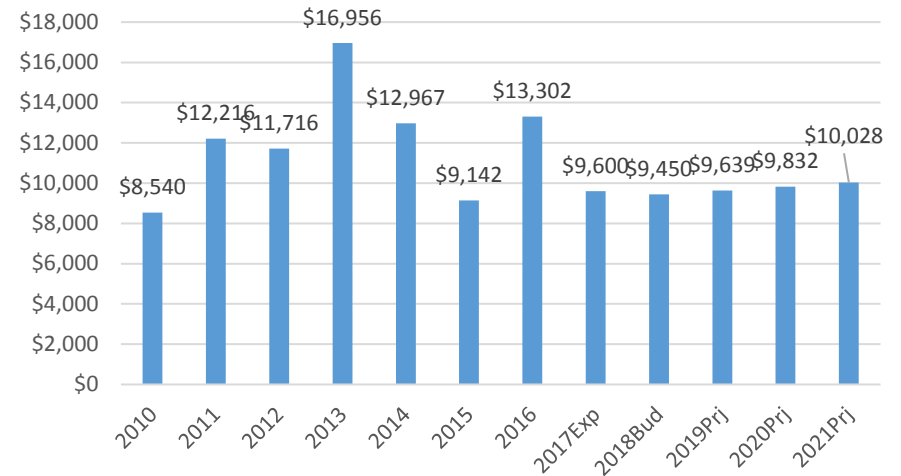
The Marina is struggling financially, primarily due to its debt load. Debt service is about \$63,000 per year. Projections for FY 2017 show that even with a budgeted \$65,000 in debt service support from the capital improvement fund, the budget still anticipates a cash loss of \$3,000. This lack of revenue must be addressed if the debt service support is to be lessened and redirected to other priorities. The Harbor Commission has made it their number one strategic priority to increase Marina revenue. If successful, this will help ease the burden on the Capital Improvement Fund.

Analysis & Infographics

Dockage Fees



Fuel Profit



Assumptions & Notes

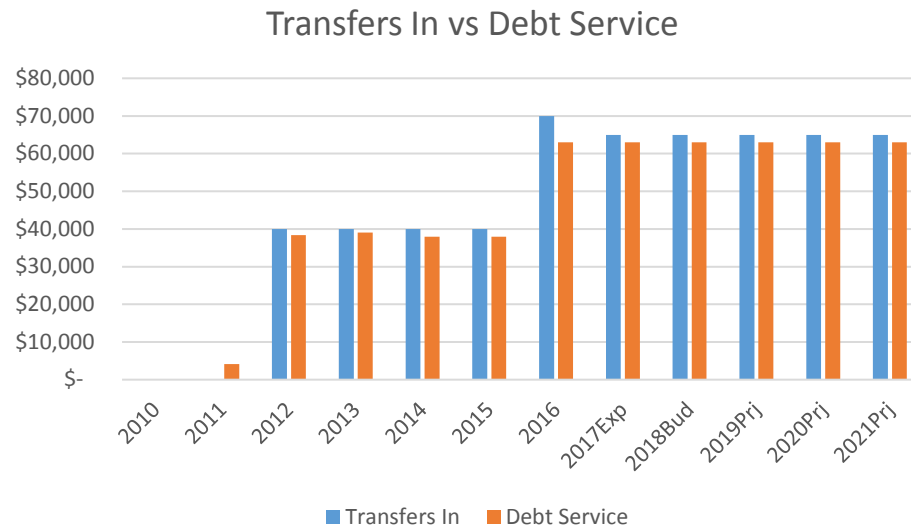
Overall revenue increased **0.0%** from the prior year. Dockage sales are budgeted to decline based on historical experience, but an increase from the FY 2017 projected. Fuel sales are up slightly (but with similar profitability) due to the higher cost of fuel. Transfers in are flat at \$65,000 .

Employee costs increased from last year based on historical employee utilization. Operating costs increased from the prior year budget. Most of the increase is due to higher fuel costs as the price of gas and diesel is expected to rise slightly. Utility costs have been reviewed and adjusted to reflect anticipated usage based on past history. Although some electrical and water costs incurred by the Marina actually benefit the Parks; no adjustment is made in the budget as there are many services provided by the General fund to the Marina that are not billed nor adequately covered by the administration fee. Summer grass mowing and significant facility manager time are two examples.

Debt service is flat. The outstanding loans have level amortization. No capital outlay is budgeted.

Projections

Without significant additional boater traffic to drive dockage fees and fuel sales, the Marina is expected to continue to struggle. Projections assume that even with a slight increase in boater traffic and continued cost management, the level of debt service assistance will not decline. Cash flow will continue to be tight and will likely require periodic short term advances from the General fund.



Details

594 MUNICIPAL MARINA

	2016 Actual	2017		2018				2019	2020	2021
		Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
539.000 State Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
570.000 Local Grant	0	0	0	0	0	0		0	0	0
642.000 Sales	2,043	3,000	4,000	4,000	4,000	1,000	33.3%	4,080	4,162	4,245
645.000 Charge for Sales - Fuel	92,785	76,050	80,000	80,625	80,625	4,575	6.0%	82,238	83,882	85,560
646.000 Charge for Sales - Dockage	61,393	75,000	63,500	68,000	68,000	-7,000	-9.3%	69,360	70,747	72,162
664.000 Interest Income	4	50	5	50	50	0	0.0%	50	50	50
667.000 Rental Income	2,730	2,500	3,500	4,000	4,000	1,500	60.0%	4,080	4,162	4,245
671.000 Other Revenue	0	0	0	0	0	0		0	0	0
674.000 Contributions\Donations	0	0	0	0	0	0		0	0	0
687.000 Refunds	966	0	0	0	0	0		0	0	0
695.000 Insurance Settlement	0	0	0	0	0	0		0	0	0
699.000 Operating Transfer In	70,000	65,000	65,000	65,000	65,000	0	0.0%	65,000	65,000	65,000
Total Revenues	\$229,921	\$221,600	\$216,005	\$221,675	\$221,675	\$75	0.0%	\$224,808	\$228,003	\$231,262

Details

594 MUNICIPAL MARINA

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
702.000 Salaries	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	0	200	0	200	200	0	0.0%	200	200	200
706.000 Part-Time	23,375	22,000	22,500	22,500	22,500	500	2.3%	22,600	22,700	22,800
712.001 Costs - Social Security	1,430	1,376	1,400	1,407	1,407	31	2.3%	1,410	1,420	1,430
712.002 Costs - Medicare	334	322	300	329	329	7	2.3%	330	330	330
712.007 Costs - SUTA	395	320	500	599	599	280	87.5%	610	620	630
712.009 Costs - Work Comp	775	786	900	810	810	25	3.1%	830	850	870
Employee Costs	\$26,309	\$25,004	\$25,600	\$25,846	\$25,846	\$842	3.4%	\$25,980	\$26,120	\$26,260
728.000 SUPPLIES - Operating	5,073	6,000	5,500	5,500	5,500	-\$500	-8.3%	5,610	5,722	5,837
730.000 SUPPLIES - Fuel	79,484	67,140	70,400	71,175	71,175	4,035	6.0%	72,599	74,050	75,531
801.000 Professional Services	0	500	0	500	500	0	0.0%	510	520	531
820.000 Administration	10,573	11,080	11,080	11,084	11,084	4	0.0%	11,190	11,275	11,363
822.000 Insurance	1,601	1,750	1,650	1,750	1,750	0	0.0%	1,785	1,821	1,857
831.000 Contractual Repairs & Maint.	3,867	4,500	4,500	4,500	4,500	0	0.0%	4,590	4,682	4,775
850.000 Phone	0	0	0	0	0	0		0	0	0
892.500 Marketing	425	4,000	3,000	4,000	4,000	0	0.0%	4,080	4,162	4,245
920.000 UTILITIES - Gas	2,358	2,000	4,200	4,200	4,200	2,200	110.0%	4,284	4,370	4,457
922.000 UTILITIES - Water	7,466	6,750	6,500	7,000	7,000	250	3.7%	7,140	7,283	7,428
925.000 UTILITIES - Electric	9,512	12,000	10,000	11,000	11,000	-1,000	-8.3%	11,220	11,444	11,673
930.000 Repairs & Maintenance	4,441	4,500	3,500	5,000	5,000	500	11.1%	5,100	5,202	5,306
958.000 Sales Tax	4,283	4,000	4,000	4,000	4,000	0	0.0%	4,080	4,162	4,245
959.000 Bad Debt	0	0	0	0	0	0		0	0	0
960.000 Bank Charges	5,496	6,000	6,000	6,000	6,000	0	0.0%	6,120	6,242	6,367
964.000 Refunds	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay - under \$5000	0	0	0	0	0	0		0	0	0
Operating Costs	\$134,579	\$130,220	\$130,330	\$135,709	\$135,709	\$5,489	4.2%	\$138,308	\$140,935	\$143,616
TOTAL OPERATING EXPENSES	\$160,888	\$155,224	\$155,930	\$161,555	\$161,555	\$6,331	4.1%	\$164,288	\$167,055	\$169,876

Details

594 MUNICIPAL MARINA

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
AVAILABLE FOR DEBT SERVICE	\$69,032	\$66,376	\$60,075	\$60,120	\$60,120	-\$6,256		\$60,520	\$60,948	\$61,386
998.001 Interest - Bank Loan (IPA)	\$9,566	\$8,842	\$8,842	\$8,079	\$8,079			\$7,292	\$6,479	\$5,639
998.003 Interest - Internal Loan	\$5,540	\$5,035	\$5,035	\$4,519	\$4,519			\$3,993	\$3,456	\$2,908
TOTAL DEBT INTEREST	\$15,107	\$13,877	\$13,877	\$12,598	\$12,598	\$0	0.0%	\$11,285	\$9,935	\$8,547
308.001 Principal - Bank Loan (IPA)	\$22,820	\$23,544	\$23,544	\$24,307	\$24,307			\$25,095	\$25,908	\$26,747
214.000 Principal - Internal Loan DTOF	\$25,046	\$25,552	\$25,552	\$26,068	\$26,068			\$26,594	\$27,131	\$27,678
TOTAL DEBT PRINCIPAL	\$47,866	\$49,096	\$49,096	\$50,375	\$50,375	\$0	0.0%	\$51,689	\$53,039	\$54,425
TOTAL DEBT SERVICE	\$62,973	\$62,973	\$62,973	\$62,973	\$62,973	\$0	0.0%	\$62,974	\$62,974	\$62,973
SURPLUS\DEFICIT BEFORE CAPEX	\$6,059	\$3,403	-\$2,898	-\$2,853	-\$2,853			-\$2,454	-\$2,026	-\$1,587
CAPITAL EXPENDITURES										
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
CASH IMPACT BEFORE FINANCING	\$6,059	\$3,403	-\$2,898	-\$2,853	-\$2,853			-\$2,454	-\$2,026	-\$1,587
S\T Advance		\$0	\$0	\$0	\$0			\$0	\$0	\$0
Repay S\T Advance			\$0	\$0	\$0			\$0	\$0	\$0
Installment Purchase		\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINANCING SOURCES	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINAL CASH IMPACT	\$6,059		-\$2,898	-\$2,853	-\$2,853			-\$2,454	-\$2,026	-\$1,587
BEGINNING CASH			\$19,270		\$12,457			\$9,604	\$7,150	\$5,123
ENDING CASH	\$19,270		\$12,457		\$9,604			\$7,150	\$5,123	\$3,536

Boat Launch

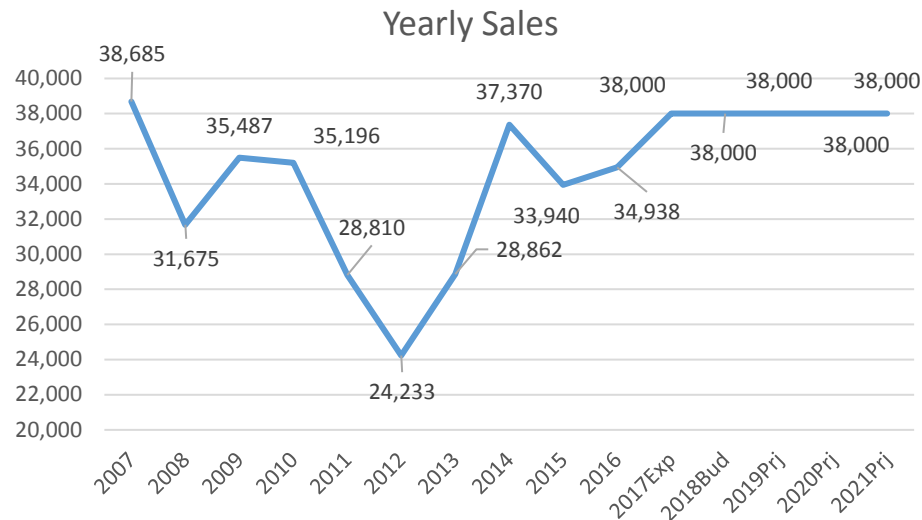


Description

The Boat Launch fund accounts for the activities of the First Street, Arthur Street and Ninth Street Boat launches. Both First Street and Arthur Street launches have seen significant investment in recent years. Arthur Street received a complete makeover including refurbishing the restrooms, reconfiguring the parking, expanding the launch, adding an accessible fishing pier and landscaping. Ingress and egress to the First Street Boat launch was reconfigured as part of the First Street reconstruction project. Ninth Street also needs work, but construction at this site is probably several years out due to funding limitations, the complexity of the project and higher priorities.

Boaters are charged to launch at the First Street and Arthur Street launches. Rates are \$40 for a seasonal and \$10 for a daily pass. The Ninth Street launch will remain free.

Analysis & Infographics

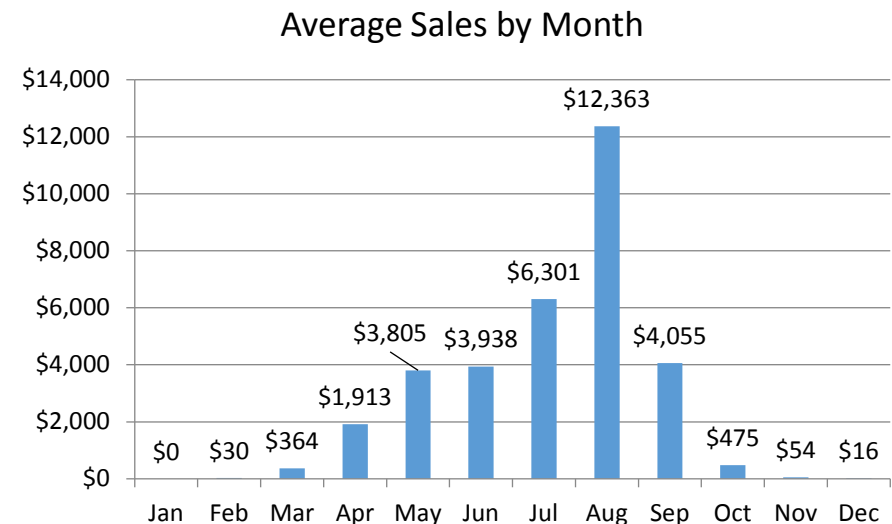


Revenue shows an increase from the prior year due to the addition of a pay tube at Arthur Street, but is largely dependent on weather and fishing conditions and the price of fuel. Expenses show a decrease due to lower phone costs. Debt service remained flat from the prior year budget. The boat launch has a loan from the oil & gas fund to finance the Arthur Street Boat launch renovations.

Projections

Projections are based on flat revenue and inflationary cost increases. If the Lake Michigan salmon fishery collapses like it has on Lake Huron, these projections will dramatically change for the worse. The auto-attendant is slated for replacement in FY 2020.

Assumptions & Notes



Details
508 BOAT LAUNCH

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
539.000 State Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
642.000 Sales	34,938	37,000	38,000	38,000	38,000	1,000	2.7%	38,000	38,000	38,000
664.000 Interest Income	6	10	0	0	0	-10	-100.0%	20	20	20
Total Revenues	\$34,944	\$37,010	\$38,000	\$38,000	\$38,000	\$990	2.7%	\$38,020	\$38,020	\$38,020
Employee Costs	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0
728.000 SUPPLIES - Operating	\$539	\$2,800	\$700	\$2,800	\$2,800	\$0	0.0%	\$2,856	\$2,913	\$2,971
801.000 Professional Services	0	500	0	500	500	0	0.0%	510	520	531
820.000 Administration	2,381	2,591	2,660	2,660	2,660	69	2.7%	2,846	3,045	3,259
850.000 Phone	1,170	1,140	1,140	500	500	-640	-56.1%	600	612	624
892.500 Marketing	0	500	200	500	500	0	0.0%	510	520	531
922.000 UTILITIES - Water	2,054	2,280	2,280	2,360	2,360	80	3.5%	2,442	2,528	2,616
925.000 UTILITIES - Electric	3,519	3,700	3,700	3,800	3,800	100	2.7%	3,876	3,954	4,033
930.000 Repairs & Maintenance	61	1,000	200	1,000	1,000	0	0.0%	1,020	1,040	1,061
960.000 Bank Charges	544	650	650	650	650	0	0.0%	663	676	690
970.000 Capital Outlay - under \$5,000	2,257	0	0	0	0	0		0	0	0
Operating Costs	\$12,524	\$15,161	\$11,530	\$14,770	\$14,770	-\$391	-2.6%	\$15,324	\$15,810	\$16,317
TOTAL OPERATING EXPENSES	\$12,524	\$15,161	\$11,530	\$14,770	\$14,770	(\$391)	-2.6%	\$15,324	\$15,810	\$16,317

Details
508 BOAT LAUNCH

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
AVAILABLE FOR DEBT SERVICE	\$22,420	\$21,849	\$26,470	\$23,230	\$23,230			\$22,696	\$22,210	\$21,703
998.003 Interest - Internal Loan	\$1,897	\$1,642	\$1,642	\$1,382	\$1,382			\$1,117	\$846	\$569
TOTAL DEBT INTEREST	\$1,897	\$1,642	\$1,642	\$1,382	\$1,382	-\$260	-15.8%	\$1,117	\$846	\$569
214.000 Principal - Internal Loan DTOF	\$12,638	\$12,893	\$12,893	\$13,153	\$13,153			\$13,419	\$13,690	\$13,966
TOTAL DEBT PRINCIPAL	\$12,638	\$12,893	\$12,893	\$13,153	\$13,153	\$260	2.0%	\$13,419	\$13,690	\$13,966
TOTAL DEBT REPAYMENT	\$14,536	\$14,536	\$14,536	\$14,536	\$14,536	\$0	0.0%	\$14,536	\$14,536	\$14,536
SURPLUS\DEFICIT BEFORE CAPEX	\$7,884	\$7,314	\$11,934	\$8,695	\$8,695			\$8,161	\$7,674	\$7,167
CAPITAL EXPENDITURES										
First Street Launch		\$0	\$0	\$0	\$0			\$0	\$15,000	\$0
Arthur Street Launch		0	0	0	0			0	0	0
Ninth Street Launch		0	0	0	0			0	0	0
TOTAL CAPITAL EXPENDITURES		\$0	\$0	\$0	\$0	\$0		\$0	\$15,000	\$0
CASH IMPACT BEFORE FINANCING		\$7,314	\$11,934	\$8,695	\$8,695			\$8,161	-\$7,326	\$7,167
None		\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINANCING SOURCES		\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINAL CASH IMPACT		\$7,314	\$11,934	\$8,695	\$8,695			\$8,161	-\$7,326	\$7,167
BEGINNING CASH			\$27,854		\$39,434			\$48,129	\$56,290	\$48,964
ENDING CASH	\$27,854		\$39,434		\$48,129			\$56,290	\$48,964	\$56,131

Ramsdell Theatre



Description

The Ramsdell is listed on the National Register of Historic Places and serves as the cultural center of Manistee County. It is one of the finest small theatres in the country. In the past, the volunteer, non-profit group Ramsdell Theatre Restoration Project (“RTRP”) raised around \$3,000,000 from generous donors and various grants to renovate and restore the Theatre.

The City has also made substantial investments in the building. The failing roof and other areas of the building envelope were addressed in the fall of 2009 at a cost of \$485,000. The HVAC system was completely replaced in the fall of 2011 at a cost of \$1,260,000. Other improvements include the addition of a projector to show live events and movies in the theatre, upgrading the sound system to stereo, renovation of classrooms downstairs and renovation of the green room. There are still areas of the theatre that have not been renovated or need improvement. Ballpark estimates of work remaining to be done are around \$500,000.

The Ramsdell has been operating for a number of years under direct City control, first under the supervision of the now dissolved Ramsdell Theatre Governing Authority, and more recently as a City department. In the summer of 2014, the City collaborated with the non-profit Friends of the Ramsdell to engage a consultant to lead a strategic planning process. A two-day workshop was held to obtain stakeholder input, and a report was issued. The governance structure was identified as one of the key areas that was hindering the success of the Ramsdell. Creating a new Ramsdell Board\Governance Structure was the top priority. A series of meetings with the same stakeholders after the report was issued validated this finding. However, additional stakeholder meetings did not result in a path forward.

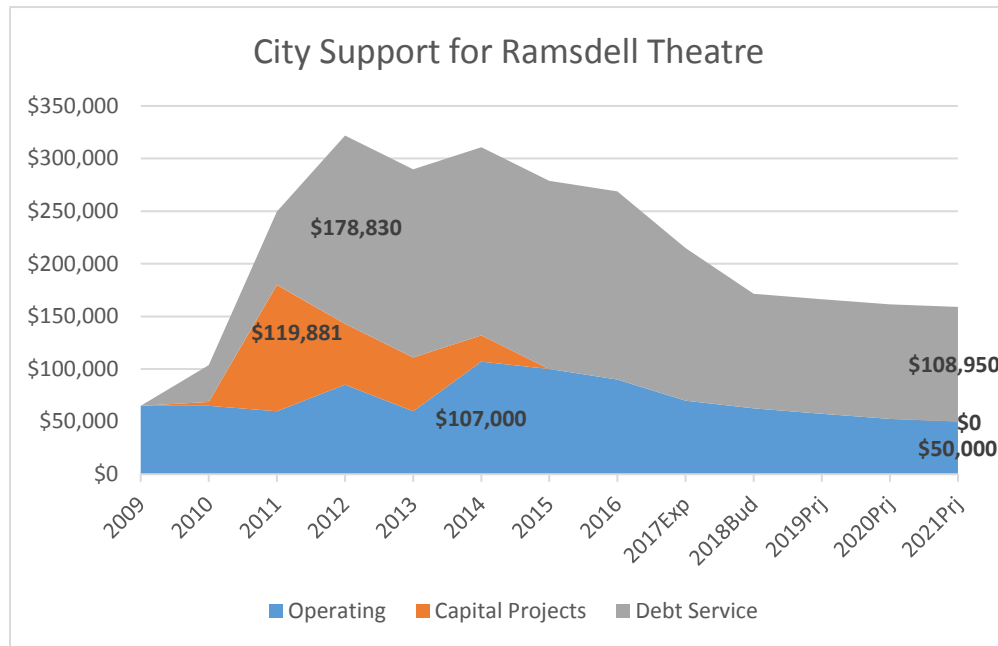
The Council Ordinance Committee discussed this issue at their February 13, 2015 meeting. They were unanimous in their agreement that the governance model needed to change. A Council work session was held at the Ramsdell on March 9, 2015 to discuss this and other Ramsdell matters. Participants included Board members from our various Partners, other stakeholders and the general public. This ultimately resulted in Council dissolving the Ramsdell Governing Authority by revoking Chapter 253 and running the Ramsdell as a City department until a new governing structure could be explored and created.

In late 2015 a group of concerned citizens interested in the future of the Ramsdell came together. They believed there was sufficient time, talent and opportunity in the community to manage the Ramsdell as a non-profit organization under contract with the City. The group made a presentation to City Council at the March, 2016 work session. The City subsequently entered into an agreement with the Ramsdell Regional Center for the Arts (“RRCA”) to manage and operate the Ramsdell. Execution of their plan will require time and significant community involvement and support beyond where it has been recently. Key to the success of the RRCA are board members that have the desire, contacts and financial resources to assist the Ramsdell. A new Executive Director, Xavier Verna, was hired in February 2017.

Issues

There is general consensus that the Ramsdell Theatre cannot be self-supported with revenue generated through performances and rentals. The market is simply too small. In order to meet the goal of reducing the recurring City operating support of the Theatre, there will need to be significant, ongoing private donations. It is unlikely in the near to mid-term (if ever) that City support will be able to be removed entirely. This is supported by the fact that nationally, 40% to 60% of theatre revenue is from ongoing public/private support. Earned income is not sufficient. Nevertheless, progress has been made toward reducing the City's financial contribution.

Analysis & Infographics



Ramsdell Theatre

Cash Support

	Peak*	FY 2018	Reduction	Change
Operations	\$ 107,000	\$ 62,500	\$ (44,500)	-42%
Capital	\$ 119,881	\$ -	\$ (119,881)	-100%
Debt	\$ 178,830	\$ 108,950	\$ (69,880)	-39%
Total	\$ 405,711	\$ 171,450	\$ (234,261)	-58%

*peak support is highest in a given year from FY 2009 to FY 2018

Assumptions & Notes

The budget has been prepared assuming that the management and operations of the Ramsdell Theatre will continue to be conducted under a contract with the RRCA. The City operating contribution is in the **Appropriation** budget and the City debt service contribution is reflected in the **Capital Improvement Fund**.

Permanent Funds

Oil & Gas Fund



Description

The Oil & Gas Fund was established to accumulate the principal generated from oil and gas royalties received from City-owned mineral rights. Charter Section 2-1(B) protects the principal and royalties of this fund from being spent without a vote of the people.

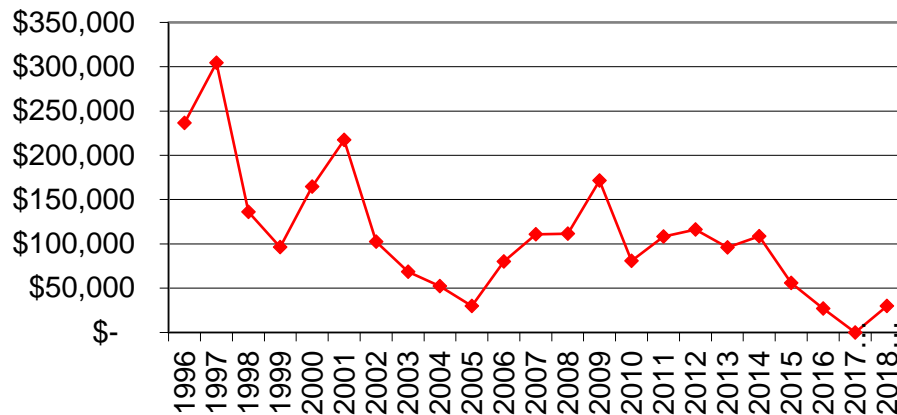
Investing the assets of this fund is handled by the Oil & Gas Investment Board, consisting of five members including the Mayor. In the summer of 2008, the City's legislative initiative to allow the Oil & Gas fund to be invested like a public pension fund, instead of under the more restrictive PA 20 regulations, was successful. Public Act 220 of 2008 was enacted into law on July 16, 2008. In order to take advantage of the new law, the Oil & Gas Board went through a rigorous selection process to hire an investment advisor. Bartlett & Co. was chosen in January of 2009 and they began investing the funds in March.

Well production and royalty income fluctuate because of variable oil and gas production volumes and the price of oil and gas. The lifespan of the oil and gas wells is unknown; however, the wells were recently shut down for over a year due to the low price of oil & gas. They were restarted earlier this year as prices have firmed a bit. The budget anticipates the wells being in production.

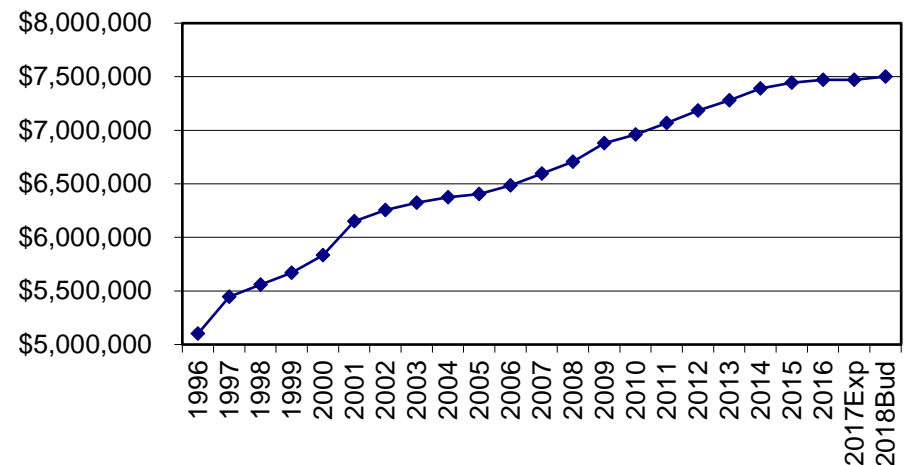
Analysis & Infographics

Royalties have steadily declined over time as the wells become less productive. Total accumulated royalties is just under \$7,500,000.

Oil & Gas Royalties

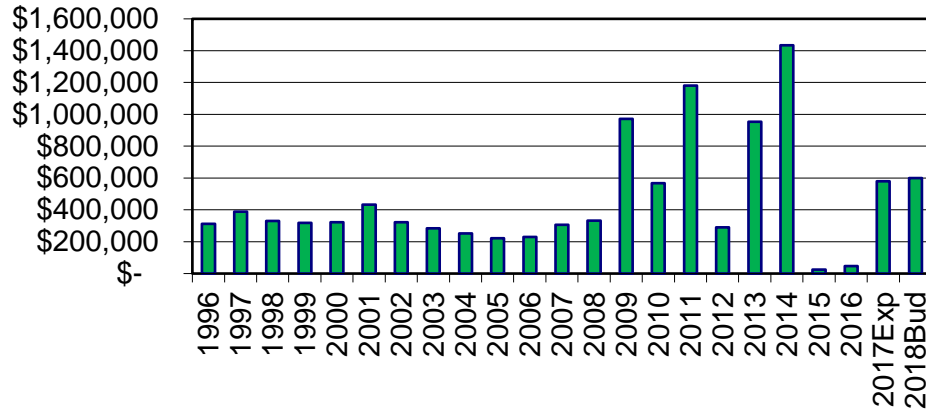


Oil & Gas Total Royalties

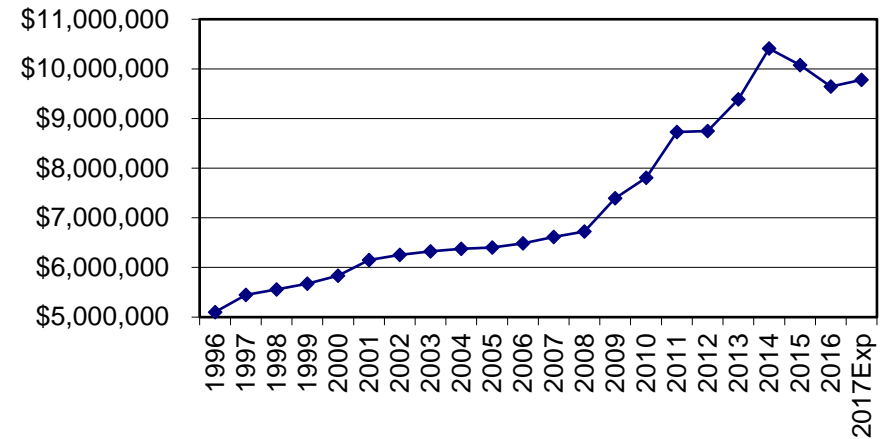


Earnings and the value of the fund have increased since the fund has been invested in the broader market, but earnings are also more variable.

Oil & Gas Earnings



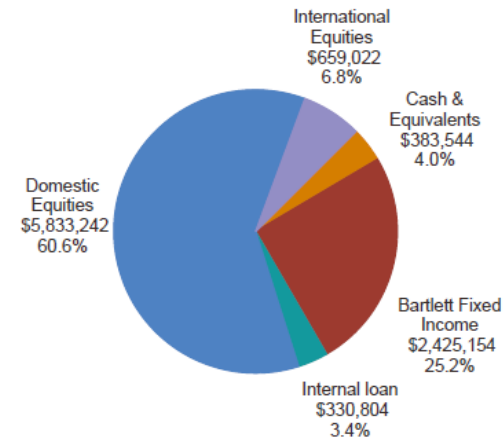
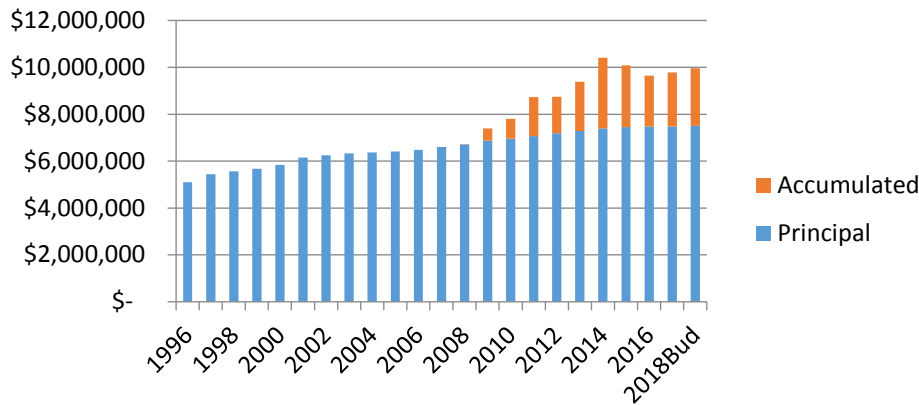
Oil & Gas Total Value



The fund value exceeds accumulated royalties by about \$2,300,000.

Portfolio asset allocation as of December 31, 2016

Oil & Gas Principal & Accumulated Earnings



Assumptions & Notes

Revenue is projected to increase from the prior budget. Oil royalties are budgeted to resume because the oil wells and processing facility have started back up. Dividend and capital gain income is subject to market fluctuations. We are in the middle of an extended bull market, and the recent performance and near-term outlook are both favorable. Economic fundamentals continue to remain positive. Future economic shocks or political instability could have an adverse impact on returns in the intermediate term.

Issues

Annually, money is transferred from the Oil & Gas fund through the Water & Sewer fund and into the City's Capital Improvement fund pursuant to the Investment Policy and Spending rule. The rule calls for an annual distribution of 4% of the three-year trailing market value. As part of the FY 2016 budget discussion regarding funding street improvements, the Oil & Gas Investment Board passed a resolution supporting the ongoing management of the fund as an endowment and not increasing the spending rule percentage.

The proposed budget uses the 4% spending rule calculation amount of \$390,928. This is a decrease of \$3,298 or 0.8% over the prior year spending rule base amount. Investment advisor fees are expected to slightly increase as the value of the portfolio rises.

Projections

Barring an economic downturn or recession, the oil & gas fund is projected to continue to grow at a moderate pace. Forecasting future markets is always tenuous at best, so this projection should be viewed with caution. However, absent a catastrophic decline in the market, the three year smoothing used by the investment policy and restraint imposed by the spending rule should help buffer the impact on spendable amounts of any typical market downturn.

<u>Details</u>	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
245 Oil & Gas Fund										
664.000 Interest Income	\$229,936	\$200,000	\$230,000	\$200,000	\$200,000	\$0	0.0%	\$204,000	\$208,080	\$212,242
665.001 Unrealized Gain\Loss	-182,096	200,000	350,000	400,000	400,000	200,000	71.3%	408,000	416,160	424,483
666.000 Oil Royalties	26,834	0	0	30,000	30,000	30,000	37.1%	30,000	30,000	30,000
Total Revenues	\$74,675	\$400,000	\$580,000	\$630,000	\$630,000	\$230,000	35.5%	\$642,000	\$654,240	\$666,725
728.000 SUPPLIES - Operating	\$0	\$2,500	\$0	\$2,500	\$2,500	\$0		\$2,550	\$2,601	\$2,653
801.000 Professional Services	50,777	\$48,000	51,500	52,000	52,000	4,000	11.6%	\$53,040	\$54,101	\$55,183
999.000 Transfers Out	457,680	\$394,226	394,226	390,928	390,928	-3,298	-1.6%	\$389,833	\$403,398	\$425,790
Total Expenditures	\$508,457	\$444,726	\$445,726	\$445,428	\$445,428	\$702	0.3%	\$445,423	\$460,100	\$483,626
TOTAL OIL & GAS FUND	-\$433,782	-\$44,726	\$134,274	\$184,572	\$184,572			\$196,577	\$194,140	\$183,099
Beginning Fund Balance			\$9,644,557		\$9,778,831			\$9,963,403	\$10,159,980	\$10,354,120
Ending Fund Balance	\$9,644,557		\$9,778,831		\$9,963,403			\$10,159,980	\$10,354,120	\$10,537,219
Accumulated Royalty Balance	\$7,471,582		\$7,471,582		\$7,501,582			\$7,531,582	\$7,561,582	\$7,591,582

Internal Service Funds

Motor Pool

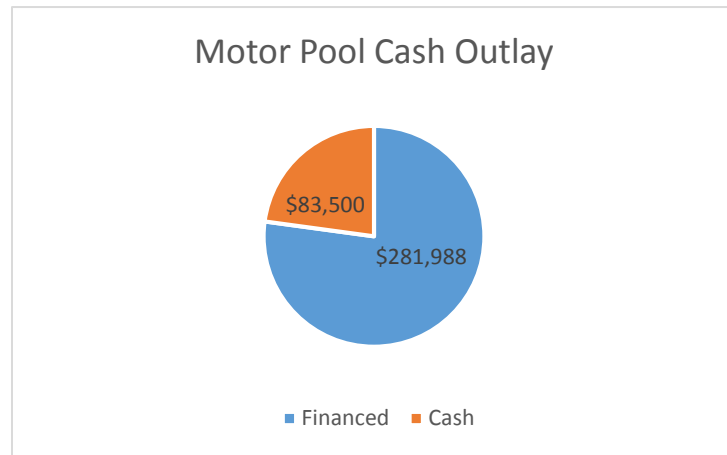


Description

The City operates a Motor Pool which provides capital funding for significant equipment purchases. It receives payments from the operating departments and pays out money for purchasing equipment and insurance; accruing capital for equipment replacement, or funding emergency purchases if necessary. In this regard, the Motor Pool provides a cushion against the unexpected. The Motor Pool was originally established with the \$551,000 sale proceeds from the Dunes Subdivision auction.

The overall condition of the City's fleet is good. With the Motor Pool, vehicles have been acquired in a cost-effective manner and replaced on a regular basis. This maintains vehicle efficiency and reduces maintenance costs. Administration has established a rolling ten-year forecast for Motor Pool equipment purchases. This schedule serves as a guide to Motor Pool purchases, but is subject to significant revision in case of unforeseen circumstances, changing economic conditions and evaluation of vehicle and equipment condition. Fleet condition will continue to be closely monitored. City mechanics do an excellent job of maintaining the fleet and extending its useful life. The budget proposes buying the following vehicles and equipment:

Analysis & Infographics



Description	Department	Type	Estimated Net Cost	Method	Estimated Payment
Police Interceptor Utility (3)	Police	Replace	\$132,000	Finance	\$44,000
F-350 Service Truck Utility Box	Sewer	Replace	\$43,000	Cash	\$43,000
Vactor	Sewer	Replace	\$240,000	Finance	\$28,000
Dump\Plow Truck	DPW	Replace	\$180,000	Finance	\$40,000
Air Compressor	DPW	Replace	\$3,500	Cash	\$3,500
Aerial Lift	DPW\Facilities	New (Used)	\$30,000	Cash	\$30,000
Mower Decks (2)	Parks	Replace	\$7,000	Cash	\$7,000
Total			\$635,500		\$195,500

Assumptions & Notes

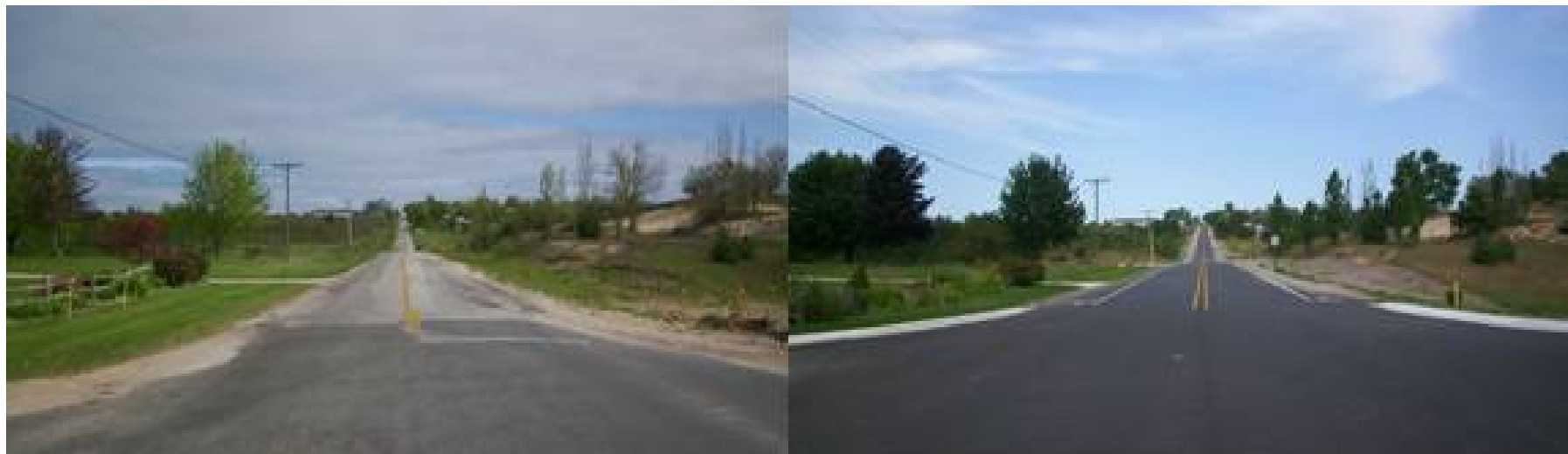
Revenue decreased **10.6%** mainly due to an overestimation of equipment sales in the prior year. Rental payments increased by an inflationary adjustment. Expenses increased from last year due to the nature of the vehicles and/or equipment being purchased and the method of payment.

661 Motor Pool	2016 Actual	2017		2018				2019 Projection	2020 Projection	2021 Projection
		Budget	Projected	Proposed	Adopted	Difference	Change			
664.000 Interest Income	\$134	\$500	\$1,900	\$1,200	\$1,200	\$700	140.0%	\$1,200	\$1,500	\$2,000
670.002 Equipment Rental - City Mgr.	9,270	0	0	0	0	\$0		0	0	0
670.003 Equipment Rental - Fire	63,860	62,000	62,000	62,930	62,930	\$930	1.5%	62,930	64,818	66,762
670.004 Equipment Rental - Parks	37,080	36,000	36,000	36,540	36,540	\$540	1.5%	36,540	37,636	38,765
670.005 Equipment Rental - Police	31,930	31,000	31,000	31,465	31,465	\$465	1.5%	31,465	32,409	33,381
670.006 Equipment Rental - DPW	74,160	72,000	72,000	73,080	73,080	\$1,080	1.5%	73,080	75,272	77,531
670.007 Equipment Rental - Sewer Street	36,050	37,132	37,132	37,132	37,132	\$0	0.0%	37,132	38,246	39,393
670.008 Equipment Rental - Water	36,050	37,132	37,132	37,132	37,132	\$0	0.0%	37,132	38,246	39,393
670.009 Equipment Rental - WWTP	36,050	37,132	37,132	37,132	37,132	\$0	0.0%	37,132	38,246	39,393
671.000 Other Revenue	0	0	0	0	0	\$0		0	0	0
673.000 Sale of Asset	0	47,000	12,560	5,000	5,000	-\$42,000	-89.4%	5,000	5,000	5,000
695.000 Insurance Settlement	0	0	0	0	0	\$0		0	0	0
699.000 Operating Transfer In	0	0	0	0	0	\$0		0	0	0
Total Revenue	\$324,584	\$359,896	\$326,856	\$321,611	\$321,611	-\$38,285	-10.6%	\$321,611	\$331,373	\$341,620
799.000 Miscellaneous Expense	\$0	\$12,000	\$7,000	\$0	\$0	-\$12,000	-100.0%			
822.000 Insurance	30,641	33,500	33,450	\$34,000	34,000	\$500	1.5%			
971.001 DPW - Plow Trucks	188,290	105,010	105,520	146,650	146,650	\$41,640	39.7%			
971.003 DPW - Sidewalk Tractor/Blower	79,930	0	0	0	0	\$0				
971.004 DPW - Pickup	25,968	7,000	5,900	0	0	-\$7,000	-100.0%			
971.006 DPW - Loader (Small)	0	79,661	37,775	34,338	34,338	-\$45,323	-56.9%			
971.007 DPW - Hot Patch\Sealer	0	0	0	0	0	\$0				
971.008 DPW - Aerial Lift	0	0	0	30,000	30,000	\$30,000				
972.016 DPW - Garage Equip	0	0	0	3,500	3,500	\$3,500				
972.001 PARKS - Mowers	8,750	0	0	7,000	7,000	\$7,000				
972.004 PARKS - Gator	0	3,800	3,900	0	0	-\$3,800	-100.0%			
973.001 POLICE - Patrol Car	0	38,000	35,360	44,000	44,000	\$6,000	15.8%			
974.002 FIRE- Ambulance	0	29,000	29,000	29,000	29,000	\$0	0.0%			
974.004 FIRE - Pickup	19,850	60,000	43,400	0	0	-\$60,000	-100.0%			
975.001 WATER - Pickup	26,085	0	0	43,000	43,000	\$43,000				
977.001 WS - Vactor	0	26,705	26,705	28,000	28,000	\$1,295	4.8%			
977.002 WS - Backhoe	0	0	0	0	0	\$0				
999.000 Transfer Out	0	0	0	0	0	\$0				
Total Expenses	\$379,516	\$394,676	\$328,010		\$399,488	\$4,812	1.2%	\$382,873	\$599,880	\$492,578
TOTAL MOTOR POOL	-\$54,932	-\$34,780	-\$1,154		-\$77,877			-\$61,262	-\$268,507	-\$150,958
Beginning Cash			\$675,417		\$674,263			\$596,387	\$535,125	\$266,618
Ending Cash	\$675,417		\$674,263		\$596,387			\$535,125	\$266,618	\$115,660

Special Revenue Funds



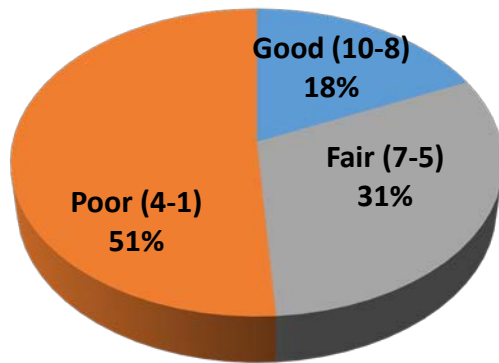
Streets



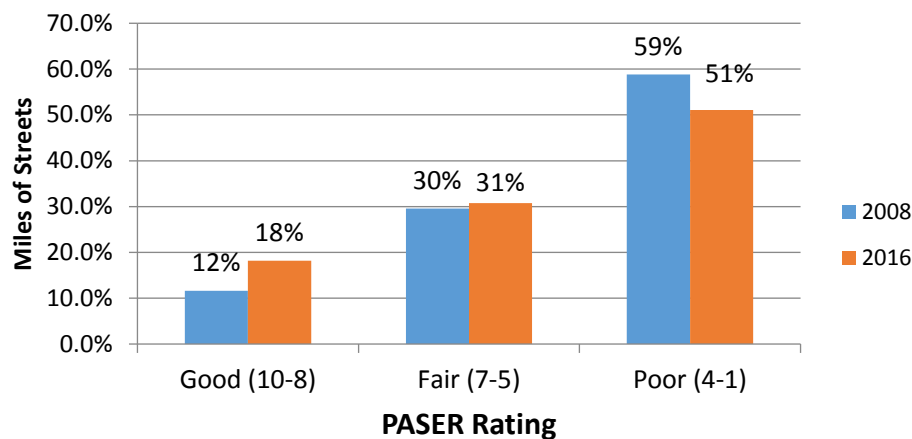
State of the Streets

The City has been managing its streets under a Street Asset Management Plan since 2008. The condition of the streets as of the last rating in the fall of 2016 is shown below. The City issued its second State of the Streets report in January and will continue to do so annually. The City completed the resurfacing of about 0.80 miles of Local Streets in 2016 at a cost of \$129,000. The work was a mixture of standard resurfacing and milling and resurfacing. Two projects on Major Streets will be completed in the spring of 2017: Six miles slurry seal and reconstruction of 12th Street. These projects are not included in the 2016 PASER rating comparisons.

Condition of All Streets 2016



All Streets 2008 vs 2016



Recent History

The condition of City streets and how to upgrade the street network became a significant topic of concern in mid-2013. The City had previously created a state-recognized Street Asset Management Plan in 2008. This plan helped to systematically guide the City's Transportation Improvement Plan (hereinafter "TIP"). The plan was updated as scheduled (every five years) in late 2013. The update identified a pressing need to find additional revenue to invest in the street network in order to simply maintain its current condition.

On December 10, 2013, City administration made an extensive presentation regarding the 2008 Street Asset Management Plan and 2013 update of the plan, including treatment and funding options.

On March 4, 2014 Council adopted a Strategic Plan. The plan included the following strategy:

Strategy 2.1.3 Develop a plan that will increase revenue toward addressing necessary upgrades to both local and major streets. The plan will look at options for increasing revenue, potentially identify which streets need to be upgraded and will include Staff, City Council and resident input."

On March 11, 2014, City administration made a presentation to City Council as a follow-up to the adoption of the strategic plan focusing on street benchmarking data and possible options for funding a TIP.

On April 15, 2014 City administration provided another update on street issues. It recommended following the steps outlined in the City's street asset management plan. It also discussed the amount of money needed to make meaningful difference in streets, current funding limitations and the impact of a possible Headlee override. Council directed administration to go back and come up with a plan to fund street improvements.

On June 10, 2014, City administration presented and discussed a five-year TIP that identified a need for a minimum of \$600,000 in annual investment. The plan identified a property tax increase in the form of a Headlee override as the most viable way to fund such a program, absent any additional funding from the State.

An Ad Hoc Street Committee was appointed by City Council at their July 1, 2014 meeting. The purpose of the Committee was to discuss upgrading the City street network, how it might be paid for, and educating the public about the street network and funding challenges. The Committee issued their final report on January 22, 2015, which was subsequently presented to City Council. The entire report can be found on the City's website. In the FY 2016 budget, the Committee made several recommendations to City Council regarding how to fund the TIP using a hybrid approach of several funding sources. The committee recommendations were partially incorporated into the FY 2016 budget. Budgets since that time continue to make sizeable investments in the street network.

The budget incorporates Year 1 of the proposed FY 2018-2022 TIP. Public Works Director Jeff Mikula and City Engineer Shawn Middleton have created a list of proposed projects to be completed in the TIP based on asset management and long-term planning principles, available revenue and grant opportunities. It is sensitive to key assumptions on future funding levels and receipt of grants and should be considered a fluid plan.



FY 2018 - 2022 Transportation Improvement Plan

Major Streets	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	2018-2022	
							Total	Average
Investment	\$666,403	\$57,500	\$817,500	\$642,500	\$325,500	\$397,500	\$2,240,500	\$448,100
Miles	6.09	0.08	0.46	0.23	0.13	0.28	1.18	0.24
Blocks +/-	80	1	6	3	2	4	16	3
Treatment	Light Rehab Microsurface	Heavy Rehab Mill & Fill	Reconstruction Crush & Shape	Reconstruction w/ Storm	Reconstruction w/ Storm	Reconstruction w/ Storm		
<u>Supplemental Funding</u>								
General Fund	\$0	\$0	\$0	\$0	\$0	\$0		
Capital Improvement	\$0	\$0	\$80,000	\$15,000	\$0	\$0		
Local Streets	\$0	\$0	\$0	\$0	\$0	\$0		
City Streets	\$0	\$0	\$0	\$0	\$0	\$0		
Grants\Reimb	\$0	\$375,000	\$375,000	\$0	\$0	\$0		
Total	\$0	\$375,000	\$455,000	\$15,000	\$0	\$0		
Local Streets	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	2018-2022	
							Total	Average
Investment	\$168,453	\$326,200	\$342,900	\$477,100	\$363,200	\$360,700	\$1,870,100	\$374,020
Miles	0.93	0.75	0.86	0.36	1.15	0.29	3.41	0.68
Blocks +/-	12	10	11	5	15	4	45	9
Treatment	Crush & Shape	Heavy Rehab Mill & Fill Reconstruct	Heavy Rehab Mill & Fill	Reconstruction w/ Storm	Heavy Rehab Mill & Fill	Heavy Rehab Mill & Fill Reconstruct		
<u>Supplemental Funding</u>								
General Fund	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000		
Capital Improvement	\$80,000	\$113,000	\$44,000	\$145,000	\$141,000	\$140,000		
Major Streets	\$20,000	\$50,000	\$100,000	\$200,000	\$125,000	\$125,000		
City Streets	\$0	\$0	\$0	\$0	\$0	\$0		
Grants\Reimb	\$0	\$0	\$0	\$0	\$0	\$0		
Total	\$170,000	\$238,000	\$224,000	\$430,000	\$356,000	\$360,000		
All Streets	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	2018-2022	
							Total	Average
Total Investment	\$834,856	\$383,700	\$1,160,400	\$1,119,600	\$688,700	\$758,200	\$4,110,600	\$822,120
Total Miles	7.02	0.83	1.32	0.59	1.28	0.57	4.59	0.92
Total Blocks +/-	92	11	17	8	17	8	61	12

FY 2018 TIP									
CONST YEAR/ MONTH	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Total Project Cost Estimate	
2017 JUL-SEP	CITY JUL 17' JUN 18'	Major	Heavy Rehab - Mill & Fill	12th	Kosciusko	230' West	230	\$	26,300
		Major	Heavy Rehab - Mill & Fill	Kosciusko	12th St	200' North	200	\$	23,700
						Feet	430	\$	50,000
						Miles	0.08		
						Blocks +/-	1		
2018 APR - JUN		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Birch	8th St	Bryant	1,130	\$	75,000
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	7th	Fairview	Hopkins	1,300	\$	108,800
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Lexington	8th	9th	380	\$	28,700
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	6th Ave	Daniels	Short St	580	\$	28,700
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Short	6th Ave	5th Ave	240	\$	12,500
		Local	Reconstruct - No C & G, No Storm	Filmore	Washington	Jefferson	310	\$	65,000
						Feet	3,940	\$	318,700
						Miles	0.75		
						Blocks +/-	10		
			Update TIP						
	Soil Boring/Cores/ NDT (SME)						\$	5,000	
							\$	10,000	
Totals for FY 2018						Feet	4,370	\$	383,700
						Miles	0.83		
						Blocks +/-	11		

FY 2019 TIP										
CONST YEAR/ MONTH	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Total Project Cost Estimate		
2019 JUN-SEP	CITY JUL 18' JUN 19'	Major	Reconstruct w/ Limited Stm Swr & SW both sides	12th St	US-31	Maple	2,424	\$	810,000	
							Feet	2,424	\$	810,000
							Miles	0.46		
							Blocks +/-	6		
	MDOT OCT 18' SEP 19'	Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	9th	Cypress	Davis	1,220	\$	91,800	
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Center	9th	11th	670	\$	50,600	
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	10th	Dead End	Davis	900	\$	60,600	
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	11th	Center	Davis	430	\$	33,100	
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	High	8th	12th	1,310	\$	99,300	
							Feet	4,530	\$	335,400
							Miles	0.86		
							Blocks +/-	11		
			Update TIP					\$	5,000	
			Non Destructive Testing/ Cores (SME)					\$	10,000	
Totals for FY 2019						Feet	6,954	\$	1,160,400	
						Miles	1.32			
						Blocks +/-	17			

FY 2020 TIP									
CONST YEAR/ MONTH	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Total Project Cost Estimate	
2020 APR-JUN	CITY JUL 19' JUN 20'	Major	Reconstruct with Stm Sewer (No Streetscape)	Memorial Dr	Washington	Cleveland	1,200	\$	635,000
						Feet	1,200	\$	635,000
						Miles	0.23		
	MDOT OCT 19' SEP 20'					Blocks +/-	3		
		Local	Reconstruction w/ Stm	Jackson	Cleveland	Washington	980	\$	240,000
		Local	Reconstruction w/ Stm	Vanburen	US-31	Jackson	930	\$	229,600
						Feet	1,910	\$	469,600
						Miles	0.36		
						Blocks +/-	5		
			Update TIP					\$	5,000
			Non Destructive Testing/ Cores (SME)					\$	10,000
Totals for FY 2020						Feet	3,110	\$	1,119,600
						Miles	0.59		
						Blocks +/-	6		

FY 2021 TIP									
CONST YEAR/ MONTH	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Total Project Cost Estimate	
2021 APR-SEP	CITY JUL 20' - JUN 21'	Major	Reconstruct with Stm Sewer	8th St	US 31	Hopkins	660	\$	318,000
						Feet	660	\$	318,000
						Miles	0.13		
						Blocks +/-	2		
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	10th	Davis	Vine	1,760	\$	130,700
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Lincoln	US-31	Washington	980	\$	53,700
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	Ford	5th Ave	St. Marys	2,670	\$	125,000
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	McKee	1st St	3rd	660	\$	46,300
						Feet	6,070	\$	355,700
						Miles	1.15		
						Blocks +/-	15		
			Update TIP					\$	5,000
			Non Destructive Testing/ Cores (SME)					\$	10,000
Totals for FY 2021						Feet	6,730	\$	688,700
						Miles	1.27		
						Blocks +/-	17		

FY 2022 TIP									
CONST YEAR/ MONTH	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Total Project Cost Estimate	
2022 APR-SEP	CITY JUL 21' - JUN 22'	Major	Crush and Shape + Curb & Gutter, Storm leads	12th St	Oak	Locust ext	1,500	\$	390,000
						Feet	1,500	\$	390,000
						Miles	0.28		
						Blocks +/-	4		
		Local	Reconstruct with Stm Sewer - Project TBD	TBD	TBD	TBD	750	\$	300,000
		Local	Heavy Rehab - Mill & Fill (Field Verify, Cores)	4th	Cypress	Hancock	760	\$	53,200
						Feet	1,510	\$	353,200
						Miles	0.29		
						Blocks +/-	4		
			Update TIP					\$	5,000
			Non Destructive Testing/ Cores (SME)					\$	10,000
Totals for FY 2022						Feet	3,010	\$	758,200
						Miles	0.57		
						Blocks +/-	8		

Major Street Fund

Description:

This fund records revenue the City receives from the State of Michigan for its major streets. It is authorized by Public Act 51 of 1951, and is funded by gasoline taxes. The City has 19.62 miles of Major Streets. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent. One obligation of this fund is the debt service on the capital improvement bond issued to fund the Cedar Street local orphan street project (via a transfer to the Local street fund). The payment toward the Cedar Street local orphan streets is about \$81,000 per year. The bonds will be retired in FY 2031.

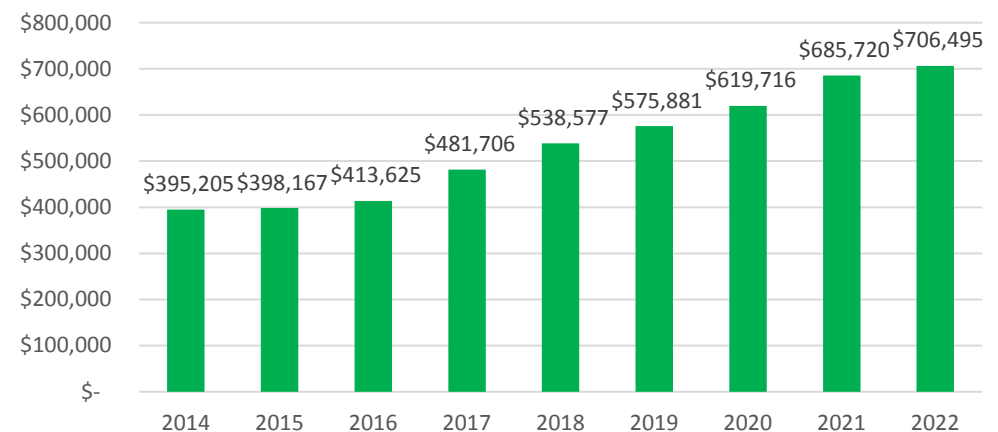
Another obligation of the fund is to pay for operation of the Maple Street bridge. As discussed in the Employees: Staffing section of the budget, the State through MDOT will now be reimbursing communities for their costs in operating moveable bridges. This has afforded the City an opportunity to add to its staffing at no cost, and the budget incorporates this.

A third obligation of the fund is to pay for routine maintenance of the streets, including sweeping, plowing, salting, snow removal, right-of-way maintenance, forestry, patching and crack sealing. This involves reimbursing the general fund for labor and equipment. In the past, the general fund has been indirectly subsidizing these activities by not receiving full reimbursement. This subsidy has been eliminated in the proposed budget. However, most administrative costs that can rightfully be charged to the street funds are still being absorbed by the general fund.

A fourth obligation of the fund is to pay for street resurfacing and reconstruction. This aspect has been a Council priority and is the focus of our street asset management plan and transportation improvement plan. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our streets, and our asset management plan has given us increased flexibility in using our street dollars.

The previous State funding mechanism was inadequate to provide for proper maintenance of the street network. In late 2015, new laws were passed that will raise significant additional revenue for roads. This includes raising the gas tax and indexing it for inflation, increasing vehicle registration fees and supplementing Act 51 money with State general fund dollars. MDOT projections show a 71% increase in State funding over FY 2016 levels by FY2022. This amounts to almost \$300,000 annually. Even with the expected increase, Act 51 revenue does not cover the full costs of maintaining our streets. It is necessary to supplement these funds with other locally generated funds and/or through grants.

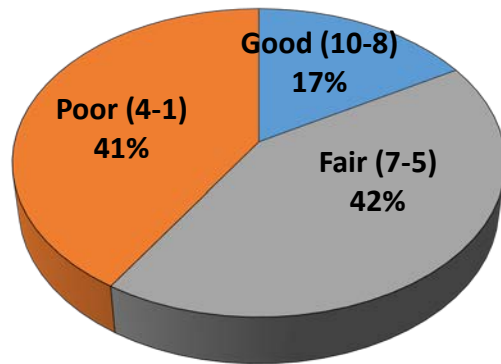
Major Street Revenue from State



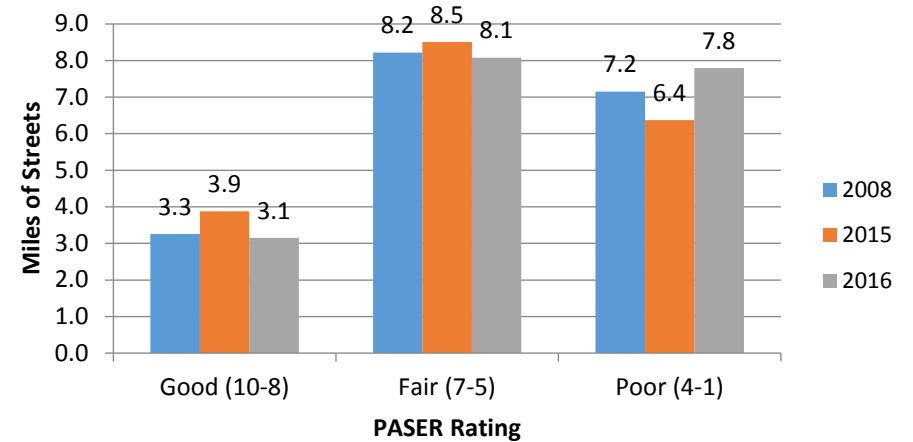
Analysis & Infographics

Street conditions declined due to the amount of work completed in calendar 2016 being less than the annual deterioration. Over six miles of work will be done in the spring of 2017 which should have a rather large positive impact on the network PASER ratings.

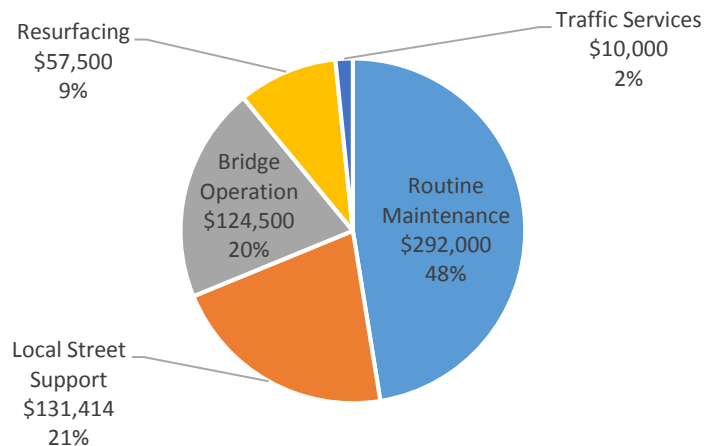
Condition of Major Streets 2016



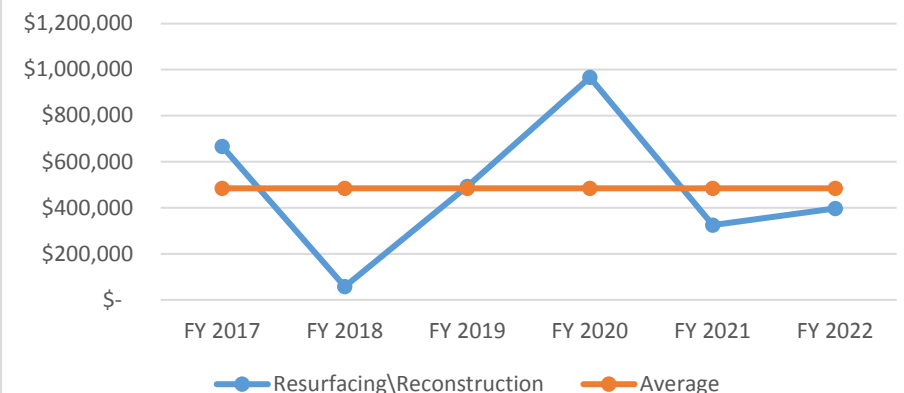
Major Streets 2008 vs 2016



Major Street Expenses



Major Street Resurfacing\Reconstruction



Assumptions & Notes

Revenue is expected to increase **22.3%** from the prior year budget. Act 51 revenue is expected to increase as the State road funding plan is implemented. Reimbursement for moveable bridge operating costs is a new revenue item this year. Expenses are expected to decrease **34.9%** from the prior year budget. Street projects is expected to decline because of the large amount of work done in FY 2017. The crack sealing unit budgeted in FY2017 was not purchased nor budgeted this year as it was determined renting is more cost-effective. Reimbursement to the general fund for bridge costs increased. Transfers out to Local Streets increased per the TIP.

Projections

Projections are based on work in the TIP and assume increases in State revenue per the recently enacted funding package

Details

202 MAJOR STREETS	2016	2017		2018				2019	2020	2021	2022
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected	Projected
539.000 State Grant Revenue	\$37,393	\$10,525	\$10,520	\$0	\$0	-\$10,525	-100.0%	\$375,000	\$375,000	\$0	\$0
576.000 Act 51 Revenue	416,606	480,268	481,706	538,577	538,577	\$58,308	12.1%	575,881	619,716	685,720	706,495
626.000 Charge for Service	191,224	184,500	175,471	289,500	289,500	\$105,000	56.9%	295,290	301,196	307,220	313,364
641.000 Snow Removal	16,236	0	16,224	0	0	\$0		0	0	0	0
664.000 Interest Income	302	200	1,500	500	500	\$300	150.0%	200	220	250	280
676.000 Reimbursement	26,825	0	0	0	0	\$0		0	0	0	0
699.000 Transfer In	57,999	10,000	10,000	10,000	10,000	\$0	0.0%	90,200	25,404	10,612	10,824
Total Revenues	\$746,586	\$685,493	\$695,421	\$838,577	\$838,577	\$153,083	22.3%	\$1,336,571	\$1,321,536	\$1,003,802	\$1,030,963
728.000 SUPPLIES - Operating	\$263	\$500	\$500	\$500	\$500	\$0	0.0%	\$510	\$520	\$531	\$541
935.000 Traffic Services	14,391	12,000	19,500	9,500	9,500	-\$2,500	-20.8%	17,690	9,884	18,581	18,953
936.000 Preservation Streets	182,966	172,400	126,900	118,500	118,500	-\$53,900	-31.3%	122,490	126,625	130,909	135,350
936.000 Preservation Streets - Projects	41,936	474,000	666,403	57,500	57,500	-\$416,500	-87.9%	493,650	966,803	325,959	398,118
937.000 Routine Maintenance Bridges	177,568	5,000	14,800	124,500	124,500	\$119,500	2390.0%	126,990	129,530	132,120	134,763
938.000 Winter Maintenance Streets	0	180,780	149,880	173,500	173,500	-\$7,280	-4.0%	178,310	184,892	191,727	198,823
960.000 Bank Charges	0	0	0	0	0	\$0		0	0	0	0
981.000 Construction Streets	0	0	0	0	0	\$0		0	0	0	0
982.000 Construction Bridges	0	0	0	0	0	\$0		0	0	0	0
992.003 Bond Principal (1999 MDOT)	0	0	0	0	0	\$0		0	0	0	0
997.003 Bond Interest (1999 MDOT)	0	0	0	0	0	\$0		0	0	0	0
999.000 Transfer Out	191,388	100,938	100,938	131,414	131,414	\$30,476	30.2%	180,776	280,797	205,684	206,423
Total Expenses	\$608,513	\$945,618	\$1,078,921	\$615,414	\$615,414	-\$330,204	-34.9%	\$1,120,416	\$1,699,051	\$1,005,511	\$1,092,971
TOTAL MAJOR STREET	\$138,073	-\$260,125	-\$383,500	\$223,163	\$223,163			\$216,155	-\$377,515	-\$1,709	-\$62,008
Beginning Cash			\$340,058		\$69,309			\$292,472	\$508,626	\$131,112	\$129,403
Ending Cash	\$340,058		\$69,309		\$292,472			\$ 508,626	\$ 131,112	\$ 129,403	\$ 67,394

Local Street Fund

Description:

This fund records revenue the City receives from the State of Michigan for its local streets. It is authorized by Public Act 51 of 1951, and is funded by gasoline taxes. The City has 29.59 miles of Local Streets. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent.

One obligation of the fund is to pay for routine maintenance of the streets, including sweeping, plowing, salting, snow removal, right-of-way maintenance, patching and crack sealing. This involves reimbursing the general fund for labor and equipment. In the past, the general fund has been indirectly subsidizing these activities by not receiving full reimbursement. This subsidy has been eliminated in the proposed budget. However, most administrative costs that can rightfully be charged to the street funds are still being absorbed by the general fund.

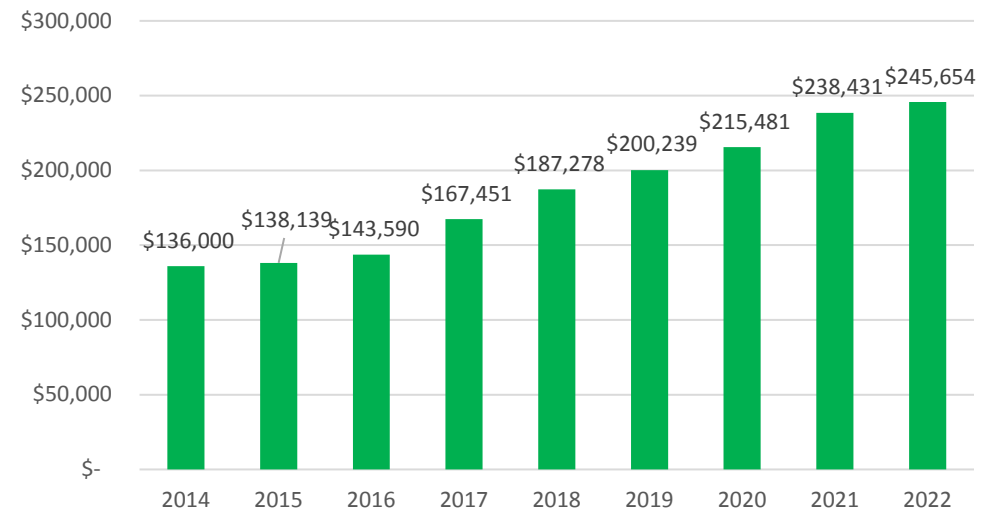
Another obligation of the fund is to pay for street resurfacing and reconstruction. This aspect has been a Council priority and is the focus of our street asset management plan and transportation improvement plan. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our streets, and our asset management plan has given us increased flexibility in using our street dollars.

Any construction of new local streets requires a 50% match of locally raised dollars (special assessment, general fund, etc.).

Local street resurfacing and reconstruction will always be more constrained than Major street reconstruction due to State funding limitations. Local resources have to fill in the gap.

The previous State funding mechanism was inadequate to provide for proper maintenance of the street network. In late 2015, new laws were passed that will raise significant additional revenue for roads. This includes raising the gas tax and indexing it for inflation, increasing vehicle registration fees and supplementing Act 51 money with State general fund dollars. MDOT projections show a 71% increase in State funding over FY 2016 levels by FY2022. This amounts to over \$100,000 annually. Even with the expected increase, Act 51 revenue does not cover the full costs of maintaining our streets. It is necessary to supplement these funds with other locally generated funds.

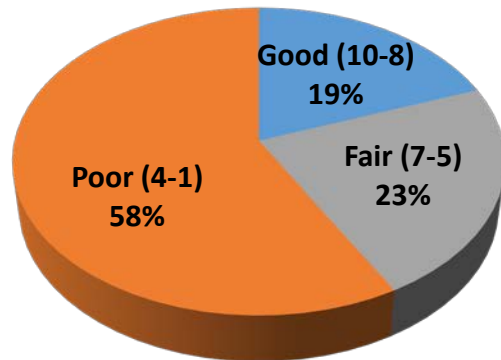
Local Street Revenue from State



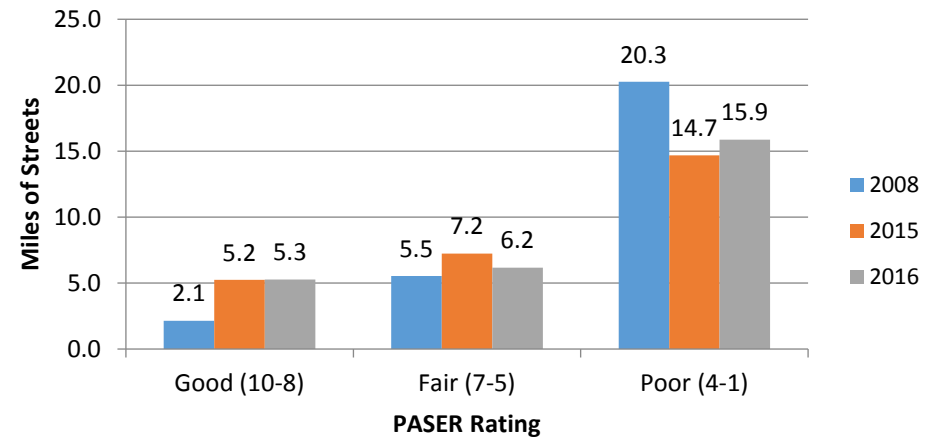
Analysis & Infographics

Street conditions declined slightly in calendar 2016 due to the amount and timing of work completed being less than the annual deterioration.

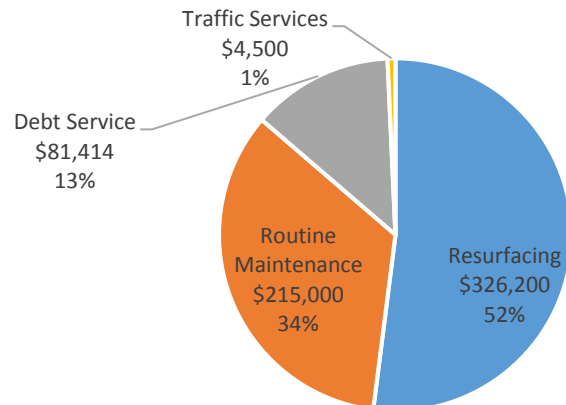
Condition of Local Streets 2016



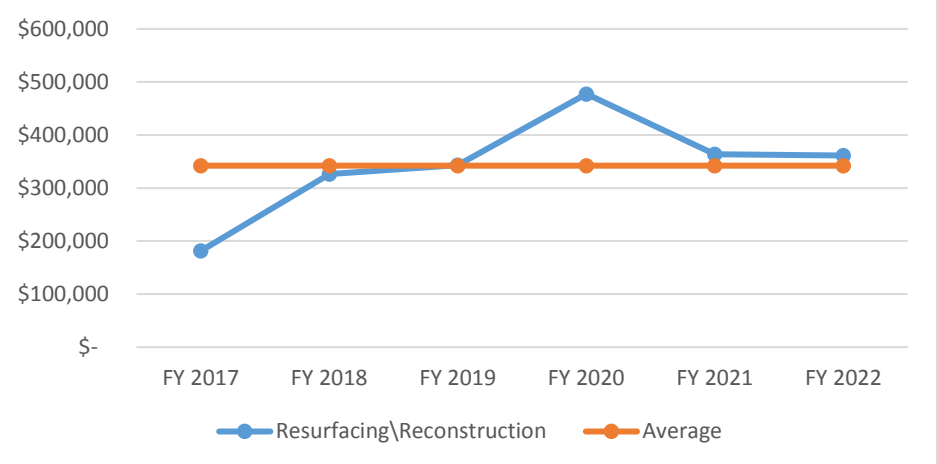
Local Streets 2008 vs 2016



Local Street Expenses



Local Street Resurfacing\Reconstruction



Assumptions & Notes

Revenue is expected to increase **18.3%** from the prior year budget. Act 51 revenue is expected to increase as the State road funding plan is implemented. Transfers in are expected to increase per the TIP. General fund, capital improvement fund and Major Street fund transfers all increased. Expenses increased **139.9%** from the prior year budget. The TIP includes significant Local Street work this year.

Projections

Projections are based on work in the TIP and assume increases in State revenue per the recently enacted funding package. It also assumes ongoing support from the General Fund and the Capital Improvement fund.

Details

203 LOCAL STREETS

	2016	2017		2018				2019	2020	2021	2022
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected	Projected
501.000 Federal Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
539.000 State Grant	37,393	10,525	10,520	0	0	-10,525	-100.0%	0	0	0	0
576.000 Act 51 Revenue	144,621	165,247	167,451	187,278	187,278	22,032	13.3%	200,239	215,481	238,431	245,654
626.000 Charge for Service	0	0	0	0	0	0		0	0	0	0
641.000 Snow Removal	0	0	13,300	0	0	0		0	0	0	0
664.000 Interest Income	126	80	120	200	200	120	150.0%	82	85	90	100
676.000 Reimbursement	0	0	0	0	0	0		0	0	0	0
699.000 Transfers In	501,598	260,938	260,938	329,414	329,414	68,476	26.2%	314,976	521,201	447,296	452,247
Total Revenues	\$683,737	\$436,790	\$452,329	\$516,892	\$516,892	\$80,103	18.3%	\$515,297	\$736,767	\$685,817	\$698,002
728.000 SUPPLIES - Operating	\$305	\$500	\$500	\$500	\$500	0	0.0%	\$510	\$520	\$531	\$541
935.000 Traffic Services	586	5,000	3,000	4,000	4,000	-1,000	-20.0%	4,080	4,162	4,245	4,330
936.000 Preservation Streets	497,535	96,200	84,200	431,700	431,700	335,500	348.8%	450,660	587,165	475,617	475,515
938.000 Winter Maintenance Streets	101,420	78,730	61,730	109,500	109,500	30,770	39.1%	106,640	110,416	114,333	118,397
981.000 Construction Streets	81387.94	0	0	0	0	0		0	0	0	0
999.000 Transfers Out		80,938	80,938	81,414	81,414	476	0.6%	80,776	80,797	80,684	81,423
Total Expenditures	\$681,234	\$261,368	\$230,368	\$627,114	\$627,114	\$365,746	139.9%	\$642,666	\$783,060	\$675,409	\$680,206
TOTAL LOCAL STREET	\$2,503	\$175,422	\$221,961	-\$110,222	-\$110,222			-\$127,369	-\$46,293	\$10,408	\$17,796
Beginning Cash			\$57,445		\$286,602			\$176,381	\$49,012	\$2,719	\$13,126
Ending Cash	\$57,445		\$286,602		\$176,381			\$49,012	\$2,719	\$13,126	\$30,922

City Street Fund

Description:

This fund records locally generated and other revenues that are used for street and right-of-way improvements. Funding sources include money generated from the METRO Act, charges for road breakage and special assessments. This fund pays for part of the sidewalk replacement program and also for the tree program. This fund may also help provide the local match required for any local street construction projects. MDOT recommends that locally generated revenues be recorded here, to ensure maximum flexibility. A future Headlee override street millage, if implemented, would be recorded here.

Analysis & Infographics

Cash reserves are being drawn down as revenue sources disappear.

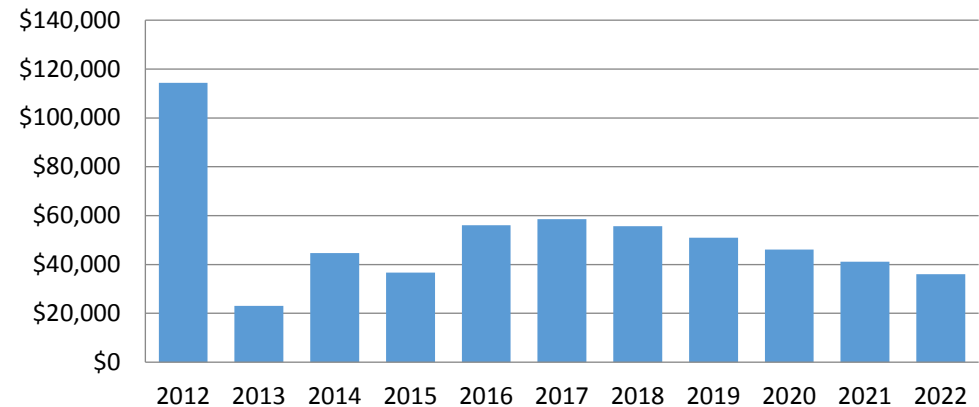
Assumptions & Notes

Revenue is projected to decrease by **15.5%** due to the Amptech and Oxford Court special assessments being paid off. Expenses decreased because of a reduction in professional services offset somewhat by the tree program.

Projections

Projections show that because of the expiration of the Amptech reimbursement, the fund will slowly deplete its cash reserves. Either a locally generated source of revenue needs to be created or the fund will have to cut back expenditures either on the sidewalk program or the tree program.

City Street Cash Reserves



Details

204 City Street Fund

	2016	2017		2018			2019	2020	2021	2022
	Actual	Budget	Expected	Adopted	Difference	Change	Projected	Projected	Projected	Projected
495.000 ROW Fee	\$27,977	\$22,500	\$25,000	\$25,000	\$2,500	11.1%	\$25,000	\$25,000	\$25,000	\$25,000
539.000 State Grants	0	0	0	0			0	0	0	0
570.000 Local Grants	0	0	0	0	0		0	0	0	0
626.000 Charge for Service	0	0	0	0	0		0	0	0	0
664.000 Interest Income	218	360	135	70	-290	-80.6%	0	0	0	0
672.000 Special Assessment	1,471	1,500	1,535	1,535	35	2.3%	0	0	0	0
674.000 Contributions\Donations	0	0	0	0	0		0	0	0	0
676.000 Reimbursement	7143	7,143	7,143	0	-7,143	-100.0%	0	0	0	0
699.000 Operating Transfer In	0	0	0	0	0		0	0	0	0
Total Revenue	\$36,810	\$31,503	\$33,813	\$26,605	-\$4,898	-15.5%	\$25,000	\$25,000	\$25,000	\$25,000
728.000 SUPPLIES - Operating	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
801.000 Professional Services	3,445	7,000	0	1,500	-\$5,500	-78.6%	1,500	1,500	1,500	1,500
831.000 Contractual Repairs & Maint.	0	0	0	0	\$0		0	0	0	0
964.000 Refunds	0	0	0	0	\$0		0	0	0	0
984.000 Capital Outlay - Trees	14,029	5,000	14,100	8,000	\$3,000	60.0%	8,160	8,323	8,490	8,659
999.000 Transfer Out	0	20,000	20,000	20,000	\$0	0.0%	20,000	20,000	20,000	20,000
Total Expense	\$17,474	\$32,000	\$34,100	\$29,500	-\$2,500	-7.8%	\$29,660	\$29,823	\$29,990	\$30,159
Projected Change							\$ 160	\$ 163	\$ 166	\$ 170
							0.5%	0.6%	0.6%	0.6%
TOTAL STREET IMPROVEMENT	\$19,335	-\$497	-\$287	-\$2,895	-\$2,398		-\$4,660	-\$4,823	-\$4,990	-\$5,159
Beginning Cash			\$30,815	\$58,505			\$55,610	\$50,950	\$46,127	\$41,137
Ending Cash	\$30,815		\$58,505	\$55,610			\$50,950	\$46,127	\$41,137	\$35,978

Refuse



Description

The refuse fund records revenues and expenditures relating to refuse collection and disposal. Refuse collection in the City is a public/private partnership. The collection and recycling service has been moved to the private sector through a contract with Republic Services. They are under contract through June, 2020. The billing, collection and some of the administrative functions are handled by the City. The funding is a hybrid system, funded by a 1.15 mill levy and a monthly user charge. The City currently offers voluntary curbside recycling and a drop-off recycling center. The new recycling center in the Industrial Park recently opened and has been receiving positive reviews.

Issues

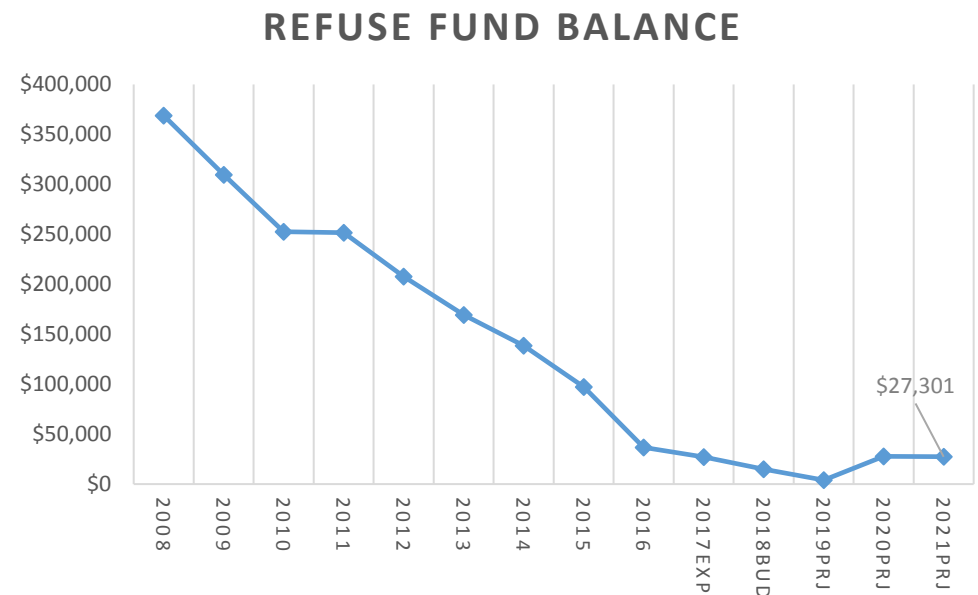
The City eliminated the traditional spring trash haul in favor of a once a month bulky item pickup that allows residents to dispose of one large item per month. The proposed budget begins a three-year process of phasing in full reimbursement to the general fund for services provided. This includes leaf pickup, lawn bag pickup and compost turning. The general fund can no longer afford to subsidize these costs.

Analysis & Infographics

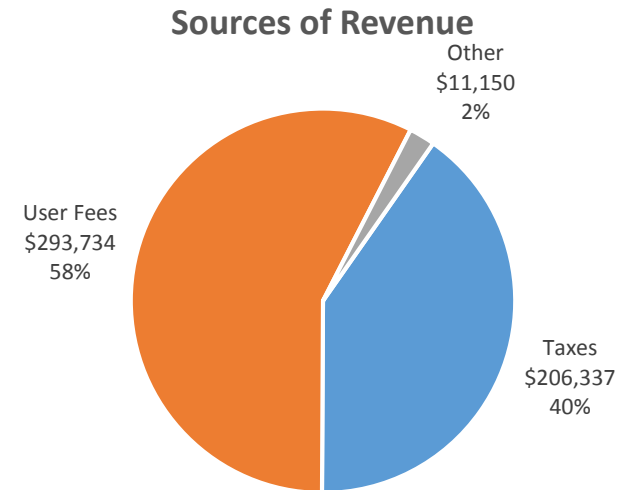
At the end of the 2004-2005 fiscal year, the fund had a fund balance of \$515,645. As part of the budget discussion the next year, it was decided to lower the millage rate from 2.0 to 1.5 (and eventually to the current 1.15) to start reducing the high level of fund balance. In the intervening years, the taxable value of the City declined significantly, the refuse contract included an annual escalator and user rates were not always adjusted sufficiently each year due to concerns about the impact on customers. As a result, the refuse fund ran a planned annual deficit and fund balance was drawn down as anticipated.

This trend needed to stabilize and annual user fee increases have been implemented. A rate increase this year is needed to continue stabilizing the fund and paying for the subsidy phase-out, as shown in the chart. This is projected to result in an ending fund balance of about 2.5% of annual expenditures, which is below the recommended level of 5%.

Refuse rates are budgeted to go up per the following chart. The millage only generates 38% of the refuse fund revenue.



Refuse Rates	FY 2016	FY 2017	FY 2018	Monthly Increase	Annual Increase	Percent Increase
Residential						
1-2 Bags / week	\$ 3.85	\$ 4.20	\$ 4.80	\$ 0.60	\$ 7.20	14.3%
3-6 Bags / week	\$ 7.70	\$ 8.40	\$ 9.60	\$ 1.20	\$ 14.40	14.3%
Tidy Tote / week	\$ 11.55	\$ 12.60	\$ 14.40	\$ 1.80	\$ 21.60	14.3%
Commercial						
1-2 Bags / week	\$ 3.85	\$ 4.20	\$ 4.80	\$ 0.60	\$ 7.20	14.3%
3-6 Bags / week	\$ 7.70	\$ 8.40	\$ 9.60	\$ 1.20	\$ 14.40	14.3%
3-6 Bags 2x / week	\$ 15.40	\$ 16.80	\$ 19.20	\$ 2.40	\$ 28.80	14.3%
Tidy Tote / week	\$ 11.55	\$ 12.60	\$ 14.40	\$ 1.80	\$ 21.60	14.3%
Tidy Tote 2x / week	\$ 23.10	\$ 25.20	\$ 28.80	\$ 3.60	\$ 43.20	14.3%
	\$ -					
Curbside Recycling	\$ 5.50	\$ 6.75	\$ 7.00	\$ 0.25	\$ 3.00	3.7%
Extra Bags	\$ 2.75	\$ 2.75	\$ 2.75	\$ -		0.0%
Freon Tag	\$ 45.00	\$ 45.00	\$ 50.00	\$ -		0.0%
Bulky Item	\$ 15.00	\$ 15.00	\$ 15.00	\$ -		0.0%
Yard Waste bags	\$ 4.00	\$ 4.00	\$ 4.25	\$ 0.25		6.3%
(adjusted as bag price goes up)						



Assumptions & Notes

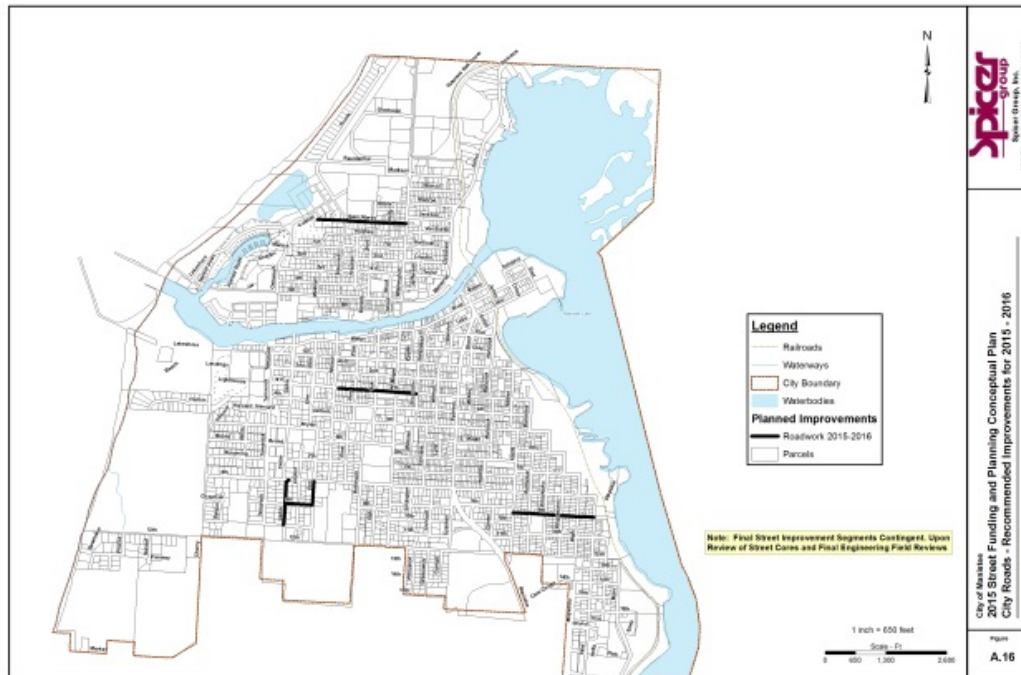
Revenue increased **8.7%** due to an increase in monthly user fees. Expenses increased 11.8% because of contractual cost escalation and the phase-out of the general fund subsidy, partially offset by trash haul elimination savings.

Projections

Projections show the Refuse Fund stabilizing and fund balance no longer being consumed. This is based on modest tax revenue increase and annual rate increases as needed to remain solvent and obtain a 5% ending fund reserve.

<u>Details</u>	2015	2016	2017		2018				2019	2020	2021
	Actual	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
226 REFUSE											
402.000 Real & Personal Property Tax	\$196,043	\$195,189	\$192,176	\$189,000	\$194,335	\$194,335	\$2,159	1.1%	\$198,222	\$202,186	\$206,230
411.000 Delinquent Real Tax	9,199	11,137	10,446	11,000	11,624	11,624	1,178	11.3%	11,857	12,094	12,336
420.000 Delinquent Personal Tax	2,025	436	200	300	378	378	178	89.0%	386	393	401
626.000 Charge for Service	213,227	234,676	254,400	260,000	291,429	291,429	37,029	14.6%	335,143	355,251	376,567
643.000 Yard Bags	9,357	9,188	10,000	9,000	10,000	10,000	0	0.0%	10,200	10,404	10,612
644.000 Trash Bags	1,823	904	1,000	500	1,000	1,000	0	0.0%	1,020	1,040	1,061
664.000 Interest Income	133	65	150	0	150	150	0	0.0%	153	156	159
671.000 Other Revenue	0	1	0	0	0	0	0		0	0	0
699.000 Operating Transfer In	0	0	0	0	0	0	0		0	0	0
Total Revenue	\$431,807	\$451,595	\$468,372	\$469,800	\$508,916	\$508,916	\$40,544	8.7%	\$556,980	\$581,525	\$607,366
728.000 SUPPLIES - Operating	2,253	2,547	\$2,500	\$2,000	\$2,500	\$2,500	\$0	0.0%	\$2,550	\$2,601	\$2,653
755.000 Yard Bags	\$14,857	\$19,049	\$12,000	\$7,500	\$15,000	\$15,000	3,000	25.0%	\$15,300	\$15,606	\$15,918
820.000 Administration	29,279	31,814	32,786	32,786	35,624	35,624	2,838	8.7%	38,989	40,707	42,516
826.000 Refuse Contract Fees	331,412	339,390	343,149	350,839	368,302	368,302	25,153	7.3%	374,345	381,048	392,479
827.000 Municipal Refuse Fees	17,667	18,126	21,000	18,325	19,000	19,000	-2,000	-9.5%	19,192	19,438	19,688
828.000 Trash Haul Contract Fees	24,098	30,872	0	0	0	0	0		0	0	0
829.000 Trash Haul City	17,472	18,000	18,720	18,720	0	0	-18,720	-100.0%	0	0	0
829.001 Yard Waste Contract Fees	0	0	0	10,500	0	0	0		20,000	0	9,000
829.002 Yard Waste City	36,000	36,000	37,800	37,800	82,723	82,723	44,923	118.8%	94,583	98,337	125,407
925.000 UTILITIES - Electric		61	0	0	0	0	0		0	0	0
970.000 Capital Outlay - under \$5000		16,102	0	0	0	0	0		0	0	0
999.000 Transfer Out	0	0	0	0	0	0	0		0	0	0
Total Expenses	\$473,038	\$511,962	\$467,955	\$478,470	\$523,149	\$523,149	\$55,194	11.8%	\$564,958	\$557,737	\$607,661
TOTAL REFUSE	-\$41,231	-\$60,367	\$417	-\$8,670		-\$14,233			-\$7,978	\$23,789	-\$295
Beginning Cash				\$47,513		\$27,058			\$12,826	\$4,848	\$28,636
Ending Cash	\$140,821	\$47,513		\$27,058		\$12,826			\$4,848	\$28,636	\$28,341

Capital Project Funds



Capital Improvement Fund

Description

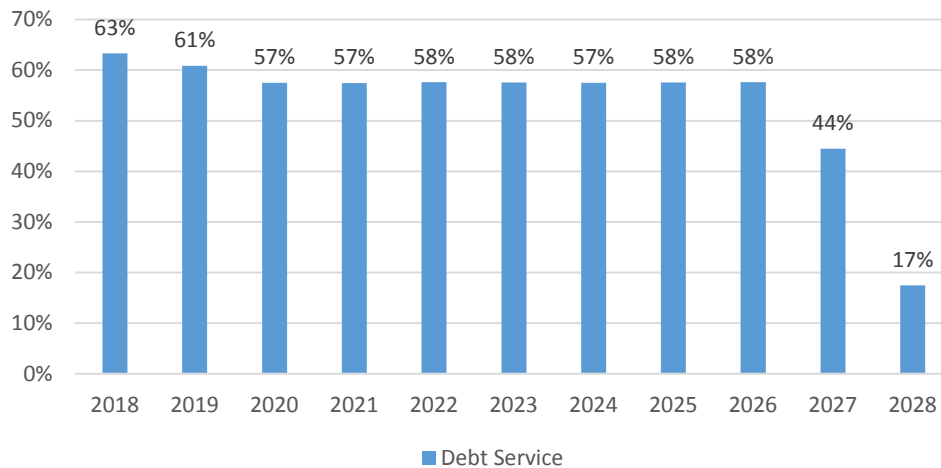
The Capital Improvement fund was established in 2005 as a method to provide a funding source to help pay for capital improvements in the City. All major capital expenditures not required to be recorded in another fund are recorded and budgeted for in this fund. This has primarily been for projects that could be considered general fund items; however, more recently this has been shifting to fund street improvements. Current year projects in the Capital Improvement fund are briefly discussed here and also supported by case statements that can be found in the Capital Improvement Plan.

The primary source of income to this fund is an annual transfer from the Oil & Gas fund based on a Council-adopted sustainable spending rule. This provides a relatively stable, long-term source of funding for capital projects. Secondary and unlikely sources of funding may include an annual transfer of excess general fund balance, general fund appropriations and one time transfers. An annual evaluation of the general fund balance is undertaken each year after getting the audit results back. Council policy is to transfer any amount in excess of 20% of normal general fund operating expenses to the Capital Improvement fund.

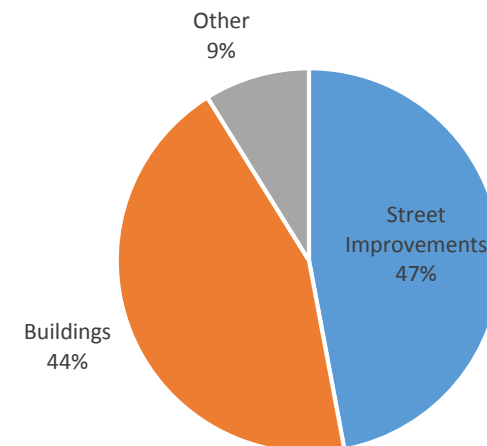
Analysis & Infographics

As general fund tax revenue has declined and State aid been reduced, the capital improvement fund has become the main source of funding capital projects (non water & sewer). As a result, the demands on it have increased significantly. Several projects have been financed over time, obligating a significant portion of the fund's annual revenue. As these obligation are paid off, the fund gains flexibility. Council has recently made the City street network a priority for use of these funds.

Obligated Funds



Spending by Type



Assumptions & Notes

Revenue is based upon the 4.0% oil & gas spending rule formula with no additional contribution as was made last year. The budget anticipates just two capital projects, in addition to the funds already committed for multiple years for prior projects and the transfer to local streets. One purchase is a City-wide financial management\accounting system to replace our aging current system. This has been in the CIP for several years. The second purchase is for camera and related equipment to be able to video and stream meetings in the Council chambers to replace the loss of PEG.

Project	Cost	Notes
Ramsdell Roof Note	\$ -	last payment FY 2017
Ramsdell Theatre HVAC Note	\$ 108,950	last payment FY 2027
Municipal Marina Note	\$ 65,000	last payment FY 2026 (if needed on an annual basis)
First Street Bond	\$ 72,680	last payment FY 2027
Total Committed Expense	\$ 246,630	
Major Streets	\$ -	
Local Streets	\$ 113,000	
Financial Management Software	\$ 25,000	Total Cost \$93,500 paid for over 3 FY by 3 Funds
Council Chamber Video	\$ 15,000	
Total New Expense	\$ 153,000	
Total Expense	\$ 399,630	

Projections

Projections are based primarily on estimated allocations from the oil & gas fund. These are expected to decline somewhat in year 1, rebound and then are held flat for purposes of years 3-10. Obligated fund spending is based on debt schedules and the remaining funds are shown as available for use. The projections assume a target \$20,000 ending fund balance.

Details

430 Capital Improvement Fund

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
570.000 Local Grants	\$0	\$0	\$0	\$0	\$0	\$0				
664.000 Interest Income	22	200	100	0	0	-200	-100.0%			
671.000 Other Revenue	0	0	0	0	0	0				
674.000 Contributions\Donations	0	0	0	0	0	0				
676.000 Reimbursement	0	0	0	0	0	0				
699.000 Operating Transfer In	457,680	394,226	394,226	390,928	390,928	-\$3,298	-0.8%			
Total Revenues	\$457,702	\$394,426	\$394,326	\$390,928	\$390,928	-\$3,498	-0.9%	\$389,833	\$403,398	\$425,790
801.000 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
970.000 Capital Outlay	41,298	19,000	42,560	153,000	153,000	134,000	705.3%			
999.000 Transfer Out	180,000	80,000	80,000	0	0	-80,000				
Total Expenses	\$221,298	\$99,000	\$122,560	\$153,000	\$153,000	\$54,000	54.5%	\$139,500	\$160,000	\$166,000
979.003 Ramsdell - Roof Note	69,880	\$36,080	\$35,976	0	0	-\$36,080	-100.0%			
979.004 Ramsdell - HVAC Note	108,950	108,950	108,950	108,950	108,950	0	0.0%			
979.019 Marina Building Note Support	70,000	65,000	65,000	65,000	65,000	0	0.0%			
979.020 First St. Bond (trf out)	72,636	72,256	72,256	72,680	72,680	424	0.6%			
Total Debt Support	\$321,466	\$282,286	\$282,182	\$246,630	\$246,630	\$424	0.2%	\$246,061	\$246,080	\$245,979
Total Expenditures	\$542,763	\$381,286	\$404,742	\$399,630	\$399,630	\$54,424	14.3%	\$385,561	\$406,080	\$411,979
TOTAL CAPITAL IMPROVEMENT	-\$85,061	\$13,140	-\$10,416	-\$8,702	-\$8,702	-\$57,922		\$4,272	-\$2,682	\$13,812
Beginning Cash Balance			\$25,173		\$14,757			\$6,055	\$10,327	\$7,645
Ending Cash Balance	\$25,173		\$14,757		\$6,055			\$10,327	\$7,645	\$21,457

Capital Improvement Fund	FY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Cash Flows	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Revenues	\$ 390,928	\$ 389,833	\$ 403,398	\$ 425,790	\$ 425,790	\$ 425,790	\$ 425,790	\$ 425,790	\$ 425,790	\$ 425,790	\$ 425,790
<hr/>											
Expenses											
Committed											
Ramsdell Roof Note	\$ -										
Ramsdell Theatre HVAC Note	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950
Municipal Marina Note	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 65,000	\$ 35,000		
First Street Bond	\$ 72,680	\$ 72,111	\$ 72,130	\$ 72,029	\$ 72,689	\$ 72,418	\$ 72,053	\$ 72,397	\$ 72,579	\$ 72,596	
Total Committed Expense	\$ 246,630	\$ 246,061	\$ 246,080	\$ 245,979	\$ 246,639	\$ 246,368	\$ 246,003	\$ 246,347	\$ 216,529	\$ 181,546	\$ 108,950
	63%	63%	61%	58%	58%	58%	58%	58%	51%	43%	26%
Uncommitted	\$ 144,298	\$ 143,772	\$ 157,318	\$ 179,812	\$ 179,152	\$ 179,422	\$ 179,787	\$ 179,444	\$ 209,261	\$ 244,245	\$ 316,840
Annual											
Major Streets	\$ -	\$ 80,000	\$ 15,000	\$ -	\$ -						
Local Streets	\$ 113,000	\$ 44,000	\$ 145,000	\$ 141,000	\$ 140,000						
Financial Management Software	\$ 20,000	\$ 15,000									
Council Chamber Video	\$ 15,000										
Total New Expense	\$ 148,000	\$ 139,000	\$ 160,000	\$ 141,000	\$ 140,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Future Annual Available Funds		\$ -	\$ -	\$ 35,000	\$ 40,000	\$ 180,000	\$ 180,000	\$ 180,000	\$ 208,000	\$ 245,000	\$ 315,000
Total Expenses	\$ 394,630	\$ 385,061	\$ 406,080	\$ 421,979	\$ 426,639	\$ 426,368	\$ 426,003	\$ 426,347	\$ 424,529	\$ 426,546	\$ 423,950
Net Result	\$ (3,702)	\$ 4,772	\$ (2,682)	\$ 3,812	\$ (848)	\$ (578)	\$ (213)	\$ (556)	\$ 1,261	\$ (755)	\$ 1,840
Beginning Cash Balance	\$ 19,417	\$ 15,715	\$ 20,487	\$ 17,805	\$ 21,617	\$ 20,768	\$ 20,191	\$ 19,978	\$ 19,421	\$ 20,683	\$ 19,927
Ending Cash Balance (\$20K target)	\$ 15,715	\$ 20,487	\$ 17,805	\$ 21,617	\$ 20,768	\$ 20,191	\$ 19,978	\$ 19,421	\$ 20,683	\$ 19,927	\$ 21,768

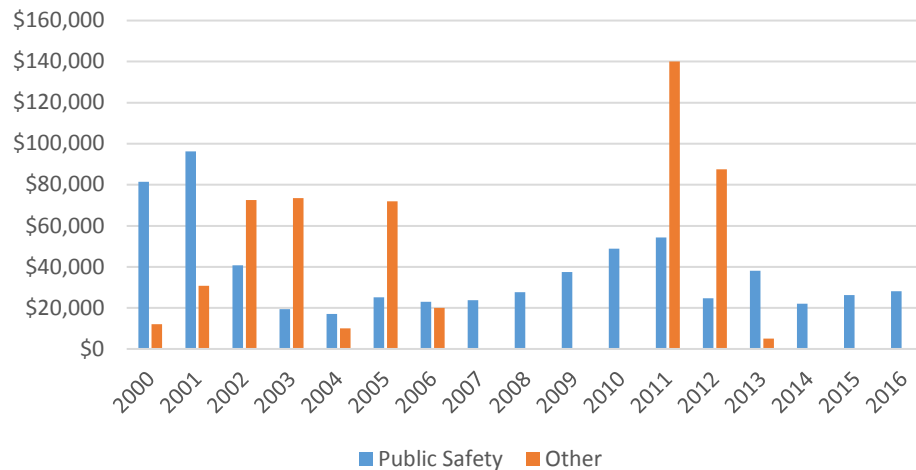
Grant Management

Description

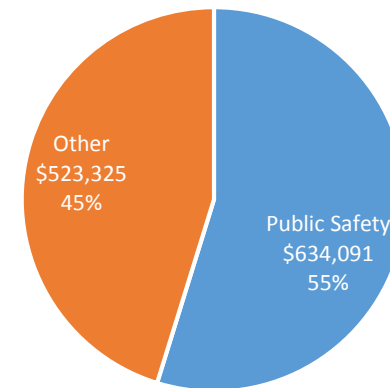
This fund accounts for grants received from the Local Revenue Sharing Board and State and Federal grants not required to be accounted for elsewhere. For LRSB grants, there is a three member board (with a City representative) that distributes money to local units of government as prescribed in a compact with the Little River Band of Ottawa Indians. Grant applications are accepted twice per year. Public safety grants are the primary ones awarded to the City.

Analysis & Infographics

LRSB Grants by Year



Total LRSB Grants



Assumptions & Notes

Revenue is an estimate of grants that may be received. We typically apply for and receive several LRSB grants each year. We are also expecting a \$970,000 CDBG grant for the North Channel Outlet project. Expenses are dependent upon the amount of grant dollars received. Funds are typically expended within 6 to 18 months of receipt, unless the grant is a reimbursement basis.

Projections

The City is not anticipating any generic State or Federal grants at this time. However, if a grant opportunity arises that fits the City's priorities, it will likely apply. We anticipate continuing to receive LRSB grants in the future.

Details

000 Revenue

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
501.000 Federal Grant Revenue	\$95,620	\$0	\$0	\$970,000	\$970,000	\$970,000		\$0	\$0	\$0
539.000 State Grant Revenue	0	0	0	0	0	0		0	0	0
570.000 Local Grant Revenue	20,000	0	20,000	0	0	0		0	0	0
570.xxx LSRB Grants	26,214	50,000	23,050	50,000	50,000	0	0.0%	50,000	50,000	50,000
664.000 Interest Income	0	0	0	0	0	0		0	0	0
674.000 Contributions\Donations	3,000	0	0	0	0	0		0	0	0
699.000 Transfers In		0	0	0	0	0		0	0	0
Total Revenues	\$144,834	\$50,000	\$43,050	\$1,020,000	\$1,020,000	\$970,000	1940.0%	\$50,000	\$50,000	\$50,000

901 LRSB Grants

799.000 LRSB Expenditures	50,743	59,177	23,050	81,474	81,474	22,297	37.7%	50,000	50,000	50,000
Total LRSB	\$50,743	\$59,177	\$23,050	\$81,474	\$81,474	22,297	37.7%	\$50,000	\$50,000	\$50,000

902 Other Grants

970.002 Rotary Park	\$70,418	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
979.004 FEMA Grant Fire Exhaust	47,453	0	0	0	0	0		0	0	0
979.031 CDBG North Channel Outlet	0	0	0	970,000	970,000	970,000				
Total Other	\$117,871	\$0	\$0	\$970,000	\$970,000	\$970,000		\$0	\$0	\$0
Total Expenditures	\$168,613	\$59,177	\$23,050	\$1,051,474	\$1,051,474	\$1,014,594	1714.5%	\$50,000	\$50,000	\$50,000
TOTAL GRANT MANAGEMENT	-\$23,779	-\$9,177	\$20,000	-\$31,474	-\$31,474			\$0	\$0	\$0

Beginning Cash Balance			\$11,474		\$31,474			\$0	\$0	\$0
Ending Cash Balance	\$11,474		\$31,474		\$0			\$0	\$0	\$0

Renaissance Park Fund

Description

The Renaissance Industrial Park is located just east of US-31 on M-55. The Renaissance Park fund accounts for activity relating to the park, including lot sales, marketing and infrastructure. This park was built in 1997 with funding from the Michigan Economic Development Corporation in the form of a loan and grant; as well as local funds. In 2007, the City successfully met the job creation goal necessary to convert most of the loan balance into a grant. The Renaissance Zone designation has expired.

The remaining balance of \$110,000 was also altered by the MEDC to become a no interest loan. The City will make annual payments of \$5,616 until the loan is paid off in 2022. Since there have been no lot sales recently, the General fund is making these loan payments through a transfer to the Renaissance Park fund.

Analysis & Infographics



Assumptions & Notes

Revenue consists of a general fund transfer. The budget anticipates no lot sales. Expenses are flat and represent one year's repayment of the loan.

Projections

Projections are conservative and show no lot sales and an annual transfer in from the General fund to service the MEDC debt.

Details

490 Renaissance Park

	2016	2017		2018				2019	2020	2021
	Actual	Budget	Expected	Proposed	Adopted	Difference	Change	Projected	Projected	Projected
569.001 State Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
664.000 Interest Income	1	0	0	0	0	0		0	0	0
671.000 Other Revenue	0	0	0	0	0	0		0	0	0
677.000 Sale of Asset	0	0	0	0	0	0		0	0	0
699.000 Operating Transfer In	5,616	5,616	5,616	5,616	5,616	0	0.0%	5,616	5,616	5,616
Total Revenues	\$5,617	\$5,616	\$5,616	\$5,616	\$5,616	\$0	0.0%	\$5,616	\$5,616	\$5,616
799.000 Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
801.000 Professional Services	0	0	0	0	0	0		0	0	0
992.002 Ren Park Loan Principa	5,616	5,616	5,616	5,616	5,616	0	0.0%	5,616	5,616	5,616
Total Expenditures	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$0	0.0%	\$5,616	\$5,616	\$5,616
TOTAL RENAISSANCE PARK	\$1	\$0	\$0	\$0	\$0			\$0	\$0	\$0
Beginning Cash Balance			\$1,100		\$1,100			\$1,100	\$1,100	\$1,100
Ending Cash Balance			\$1,100		\$1,100			\$1,100	\$1,100	\$1,100

Interfund Activity

There is considerable interaction among the various accounting funds of the City. The following tables shows the transfers, reimbursements and charges that have been budgeted.

From Fund	To Fund	Amount	Reason	From Fund	To Fund	Amount	Reason
<u>Operating Transfers</u>				<u>Debt Service</u>			
Oil & Gas	Water & Sewer	\$390,928	Transfer investment earnings in	Capital Improvement	General	\$ 72,680	2010 CI Bond (First St.)
Water & Sewer	Capital Improvement	\$390,928	Transfer investment earnings out	Capital Improvement	Marina	\$ 65,000	Assist Marina Debt Service
General	Local Streets	\$ 75,000	Street maintenance support	Major Street	Local Street	\$ 81,414	2010 CI Bond In
Capital Improvement	Local Streets	\$113,000	Street maintenance support	Local Street	General	\$ 81,414	2010 CI Bond Out
Major	Local Streets	\$ 50,000	Street maintenance support	Water & Sewer	General	\$275,178	2010 CI Bond
<u>Charge for Services</u>				Boat Launch	Oil & Gas	\$ 14,536	Internal Loan Pmt
General	Motor Pool	\$204,015	Lease of equipment	Marina	Oil & Gas	\$ 32,386	Internal Loan Pmt
Water & Sewer	Motor Pool	\$111,396	Lease of equipment	General	Renaissance Park	\$ 5,616	MEDC Loan
Boat Launch	General	\$ 2,660	Administration				
Local Street	General	\$147,000	Reimbursement				
Major Street	General	\$332,500	Reimbursement				
Marina	General	\$ 11,084	Administration				
Refuse	General	\$ 82,723	Reimbursement				
Water & Sewer	General	\$367,519	Administration\Reimbursement				
Water & Sewer	General	\$199,760	Utility Ownership fee				

Schedule of Fees

BUSINESS FEES \ REGISTRATION

BUSINESS REGISTRATION	\$75	
GOING OUT OF BUSINESS	\$50	
OUTDOOR SEATING IN ROW	\$25	Initial Fee
OUTDOOR SEATING IN ROW	\$25	Annual Renewal (waived with proof of insurance)
BICYCLE LICENSE	\$0	
TAX ABATEMENT / EXEMPTION	\$1,500	

SERVICES\RENTAL

PERSONNEL CHARGES (per hour)		
Supervisory	\$40	
Regular Full Time	\$30	
O/T	\$45	
EQUIPMENT CHARGES		State published rates
BANNER PERMIT (River St Arch)	\$50	
BRIDGE OPENING (off hours - commercial)	\$150	
CLEAN MANISTEE PROGRAM		Actual Charges to be Billed with Labor
Brush Pick Up - First 15 Minutes	\$0	
For Each Additional 15 Minutes	\$30	
Trash Pick Up - Minimum	\$30	
Trash - Per Item	\$30	
White Metal - Per Item	\$45	
Per Half Cubic Yard	\$15	
MEETING ROOM RENTAL		
First Hour	\$50	
each addl hour	\$25	
MEMORIAL BENCHES		
(whole)	\$850	
(picnic table)	\$450	
WEDDINGS	\$100	
WEED CUTTING	\$250	First Hour
		Addtl Hrs; Per Person / Per Hour + Equip Chg
HANDGUN APPLICATIONS	\$5	
RETURN CHECK FEE	\$30	
ROAD BREAKAGE DEPOSIT	\$1,000	
(deposit applied to actual and remainder billed)		

MARINA \ BOAT RAMP

MARINA	Rates Set by State of Michigan	
BOAT RAMP		
Daily	\$10	
Resident Seasonal	\$40	
Non-Resident Seasonal	\$40	
MARINA MEETING ROOM	Resident	Non-Resident
Full Day	\$120	\$150
Security Deposit	\$100	\$100

PARKING VIOLATIONS (Ord. Ch. 430)

Alternate Parking	\$40
after 14 days	\$100
Handicap Violations	\$100
after 4 days	\$150
Overtime Parking	
Overtime Parking	\$40
after 14 days	\$100

DOCUMENTS & COPIES

ZONING ORDINANCE	\$125
MASTER PLAN	\$75
CHARTER	\$20
CODE OF ORDINANCES	\$125
BUDGET	\$50
AUDIT	\$40
COPIES	
first page	\$1
each addl page	\$0.5
Police / Fire Reports	\$5
Pol/Fire - each addl page	\$0.5
FAX	
first page	\$5
each addl page	\$1
VOTER REGISTRATION LIST	
1 District - Electronic	\$10
1 District - Paper	\$15
All Districts - Electronic	\$15
All Districts - Paper	\$25

OTHER

Utility Connection - per lot	
- Sweetnam & Lakeview Subdivision	\$2,050
+ Sewer Lift Station charge per/unit	\$250
Industrial Park lots	Inquire
Renaissance Park lots	Inquire

REFUSE RATES (monthly)

Residential	1-2 Bags / week	\$4.80	
	3-6 Bags / week	\$9.60	
	Tidy Tote / week	\$14.40	
Commercial	1-2 Bags / week	\$4.80	
	3-6 Bags / week	\$9.60	
	3-6 Bags 2x / week	\$19.20	
	Tidy Tote / week	\$14.40	
	Tidy Tote 2x / week	\$28.80	
Curbside Recycling		\$7.00	
Extra Bags		\$2.75	
Freon Tag		\$50.00	
Bulky Item		\$15.00	
Yard Waste bags		\$4.25	Adjusts based on cost of bags

WATER / SEWER RATES (monthly)

Metered Water (per 1,000)	\$2.93	Inside City
Metered Sewer (per 1,000)	\$8.03	Inside City
Water Ready-To-Serve 5/8" & 3/4"	\$4.15	Higher fees for larger meters per RTS schedule
Sewer Ready-To-Serve 5/8" & 3/4"	\$11.94	Higher fees for larger meters per RTS schedule
4" Fire Suppression	\$20	per month
6" Fire Suppression	\$25	per month
8" Fire Suppression	\$30	per month
Unmetered Water	\$25	per month
Unmetered Sewer	\$60	per month
Escrow Deposit	\$300	
Regular Turn On / Off Service	\$25	
Delinquent Turn On / Off Service	\$100	
After Hours Service Call	\$100	
Install Meter	\$50	
Install 1" Service (Long)	\$1,850	
Install 1" Service (Short)	\$1,750	
New\Sprinkling Meter	Cost	Cost recovery
New Water Connection 5/8" & 3/4"	\$212	Higher fees for larger meters per SDC schedule
New Sewer Connection 5/8" & 3/4"	\$3,922	Higher fees for larger meters per SDC schedule
WWTP - accept contaminated discharge/gal	\$0.03	
(after hours rate)	\$0.05	
WWTP - Industrial Pretreatment Program	varies	+ operator cost \$30/hr
		+ operator cost \$45/hr

CIVIL INFRACTIONS (Ord. Ch. 203)

See Ord.202.99 - \$500 max

	First Offense	Additional Offense
Chapter 415 - Abandoned Vehicles, etc.	\$100	\$500
Chapter 654 - Nuisances	\$100	\$500
Section 662.02 - Noise Creating Activities	\$100	\$500
Section 670.03 - Swimming in River	\$100	\$500
Chapter 1022 - Excavations	\$100	\$500
Chapter 1024 - Sidewalks	\$100	\$500
Chapter 1026 - Trees	\$100	\$500
Chapter 1062 - Parks and Recreation	\$100	\$500
Part Twelve/Title Six - Zoning Ordinance	\$100	\$500
Part Fourteen - Building & Housing Codes	\$100	\$500
Chapter 1610 - Fire Prevention Code	\$100	\$500
Other Unspecified	\$100	

FREEDOM OF INFORMATION ACT REQUESTS

Cost per copy	\$0.10	per page
Labor	Hourly Rate/Benefits of lowest paid employee capable of performing compliance task (includes fringe benefits) billed in ¼ hour increments.	
Outside Counsel (separate exempt from non-exempt)	\$51.00	
Mailing Costs	actual cost	
Specialty Costs (plans, audio tapes, discs, etc)	actual cost	
Deposit	50% is required if estimated cost exceeds \$50.00	

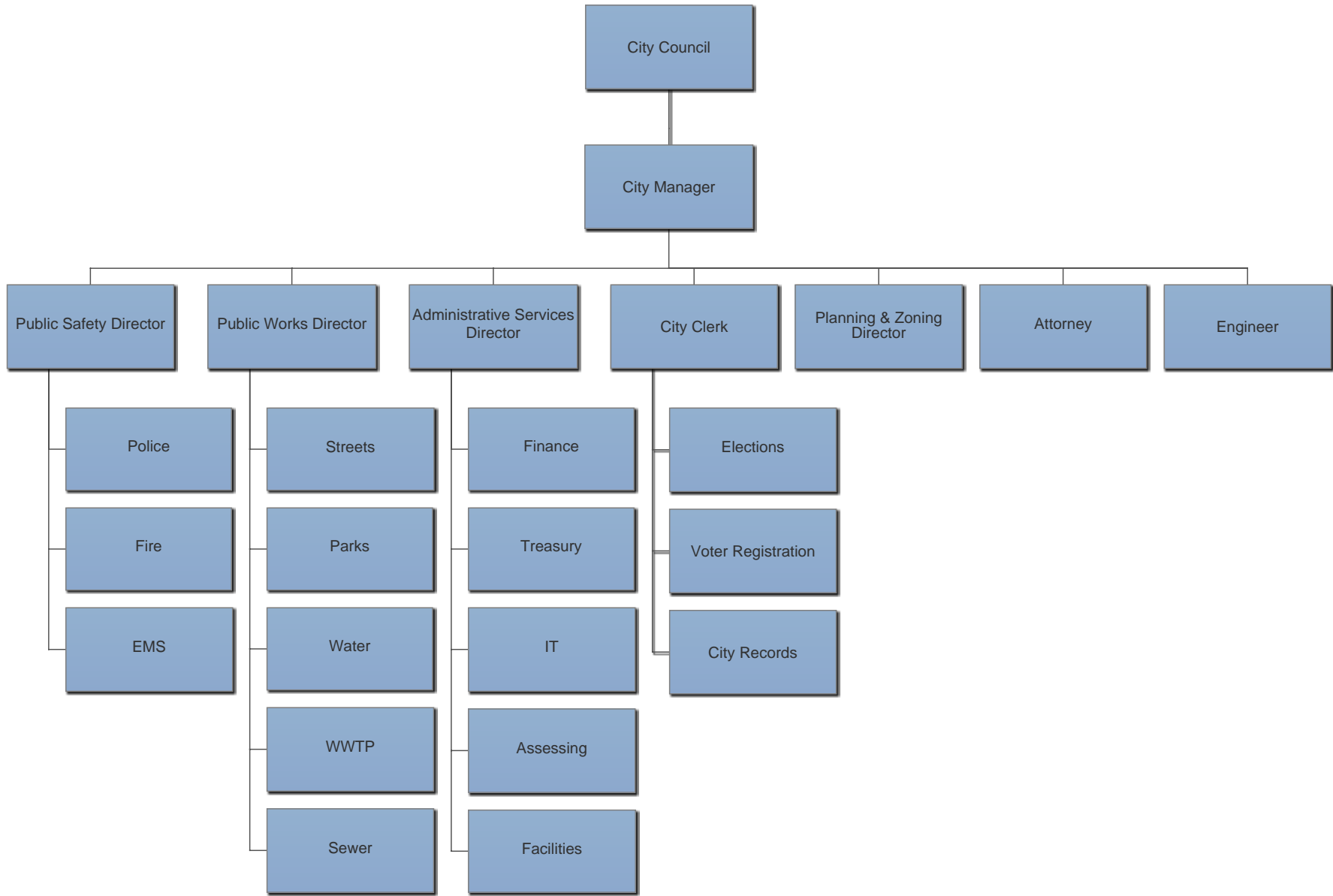
Additional information and FOIA forms can be found on City website: www.manisteemi.gov.

PLANNING & ZONING \ BUILDING \ DEVELOPMENT

CONSTRUCTION BOARD OF APPEALS	\$150	
DRIVEWAY PERMITS	\$25	
FENCE PERMITS	\$25	
PARCEL COMBINATION	\$50	
PARCEL SPLIT/COMBINATION		
First	\$100	
Each Additional	\$50	
MAPS		
Medium	\$5	
Large	\$10	
SIGN PERMITS	\$50	
RESIDENTIAL LAND USE PERMITS		
under 200 sq ft	\$25	
over 200 sq ft	\$75	
COMMERCIAL LAND USE PERMITS LEVEL 1	\$100	
COMMERCIAL LAND USE PERMITS LEVEL 2	\$200	
PUD REQUESTS	\$750	Minimum
STREET/VALLEY VACATION REQUESTS	\$750	
ZONING ORDINANCE AMENDMENT	\$1,000	
ZONING BOARD OF APPEALS	\$500	
SPECIAL USE PERMIT	\$750	Minimum
HISTORIC DISTRICT PERMITS		
CONSTRUCTION PARKING PERMIT		
per space / per week	\$10	
INCENTIVE PROGRAM FEES		
Brownfield	See BRA Application & Guidelines	
PILOT	\$1,000	Maximum \$1500 if more than one
OPRA	\$1,000	
NEZ	\$1,000	
CRA	\$1,000	
Other	\$1,000	

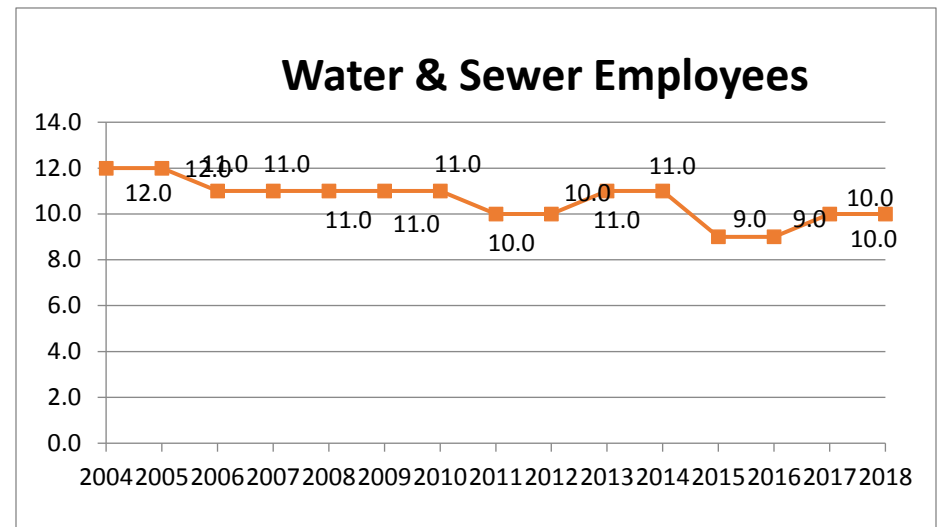
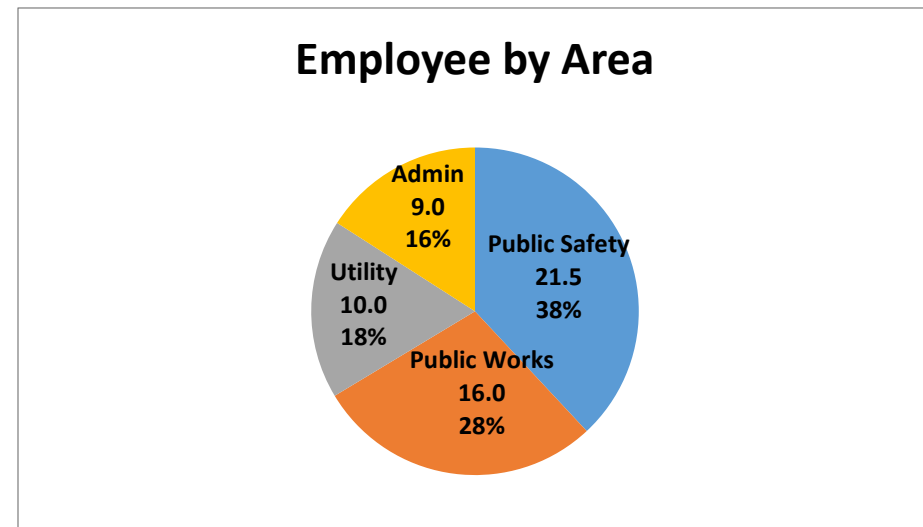
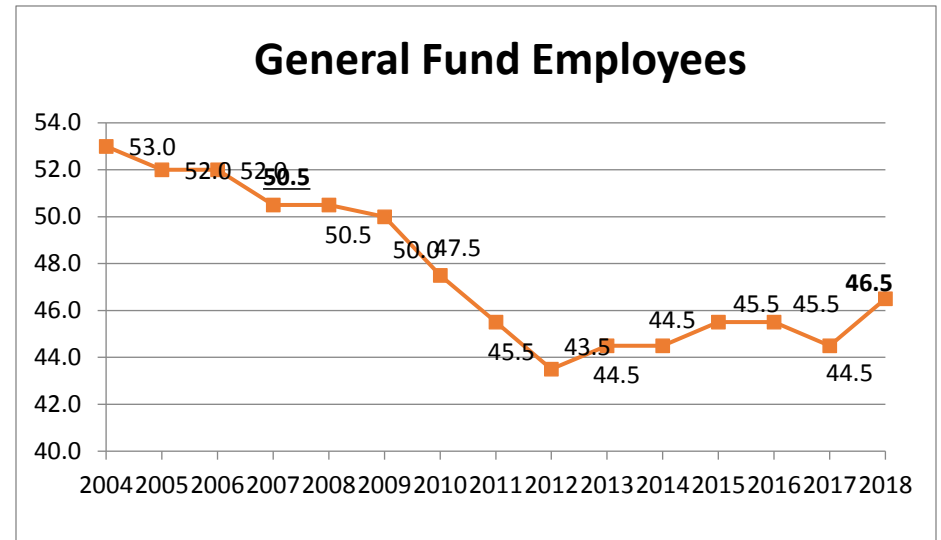
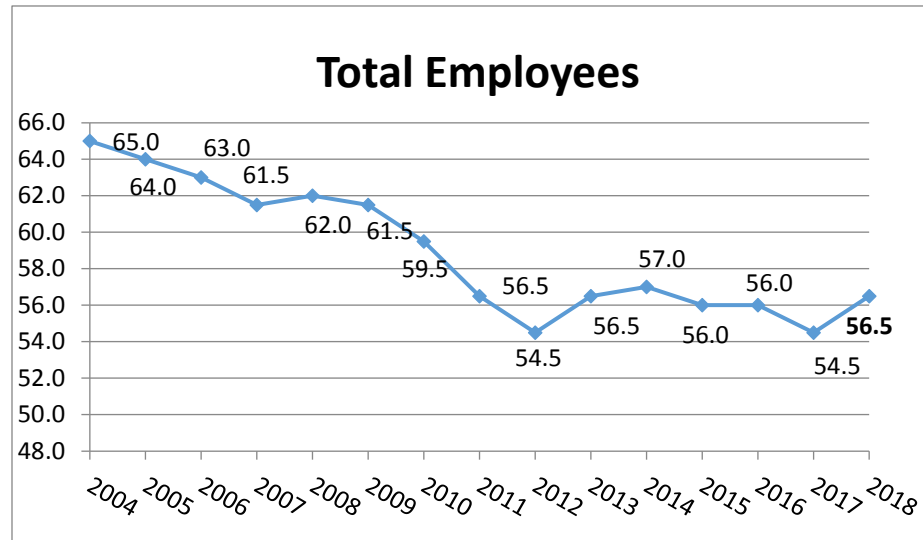
Appendices

Organization Chart



Number of Employees

The number of City full-time equivalent employees over time is listed below. This excludes seasonal employees.



Breakdown of Employees

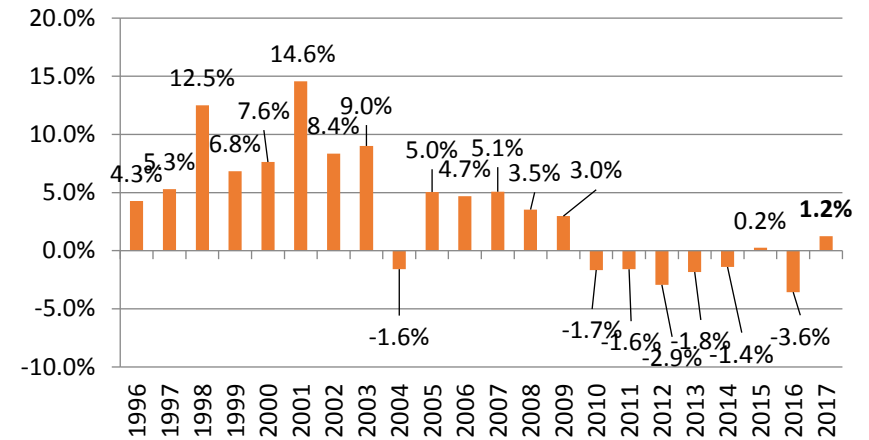
NUMBER OF EMPLOYEES (Full-Time & Permanent Part-Time Only, Excludes Seasonal)

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Budget 2018
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/Clerk	4.5	4.5	4.5	4.5	4.5	5.0	4.5	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Planning & Zoning	3.0	3.0	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.0	3.0	1.0	1.0	1.0
Municipal Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0	1.0	1.0	1.0
Police	17.0	16.0	16.0	15.0	15.0	14.0	14.0	13.5	12.0	12.0	12.0	13.0	13.0	13.0	13.0
Fire\EMS	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.0	7.5	8.5	8.5	8.5	8.5	8.5	8.5
Public Works	12.5	12.5	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	12.0	13.0	12.0	14.0
Parks	2.5	2.5	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Fund	53.0	52.0	52.0	50.5	50.5	50.0	47.5	45.5	43.5	44.5	44.5	45.5	45.5	44.5	46.5
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0	2.0
Water	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
WWTP	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	4.0	3.0	3.0	3.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	2.0	2.0
Water & Sewer	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	11.0	9.0	9.0	10.0	10.0
Ramsdell Theatre					0.5	0.5	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0	0.0
Ramsdell Theatre	0.0	0.0	0.0	0.0	0.5	0.5	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0	0.0
Grand Total:	65.0	64.0	63.0	61.5	62.0	61.5	59.5	56.5	54.5	56.5	57.0	56.0	56.0	54.5	56.5

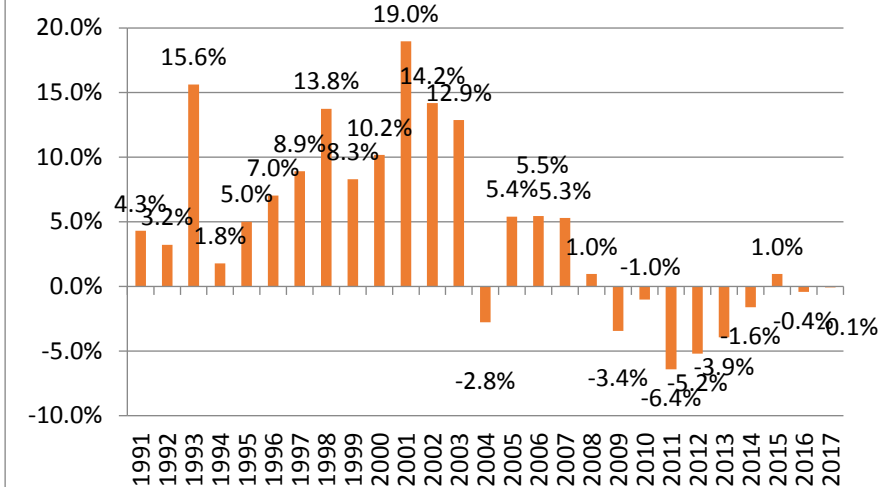
Tax Year	SEV	SEV Growth	Taxable Value Value	Taxable Value Growth
1990	\$ 69,346,762			
1991	\$ 72,328,192	4.3%		
1992	\$ 74,662,923	3.2%		
1993	\$ 86,335,306	15.6%		
1994	\$ 87,868,352	1.8%		
1995	\$ 92,276,049	5.0%	\$ 91,170,863	
1996	\$ 98,777,799	7.0%	\$ 95,065,215	4.3%
1997	\$ 107,576,400	8.9%	\$ 100,105,513	5.3%
1998	\$ 122,376,906	13.8%	\$ 112,633,190	12.5%
1999	\$ 132,539,856	8.3%	\$ 120,320,668	6.8%
2000	\$ 146,033,156	10.2%	\$ 129,495,380	7.6%
2001	\$ 173,749,756	19.0%	\$ 148,341,437	14.6%
2002	\$ 198,421,736	14.2%	\$ 160,733,605	8.4%
2003	\$ 223,975,606	12.9%	\$ 175,212,684	9.0%
2004	\$ 217,777,056	-2.8%	\$ 172,431,911	-1.6%
2005	\$ 229,542,700	5.4%	\$ 181,139,334	5.0%
2006	\$ 242,067,200	5.5%	\$ 189,639,514	4.7%
2007	\$ 254,905,300	5.3%	\$ 199,258,541	5.1%
2008	\$ 257,394,000	1.0%	\$ 206,309,448	3.5%
2009	\$ 248,539,700	-3.4%	\$ 212,438,939	3.0%
2010	\$ 246,003,300	-1.0%	\$ 208,913,165	-1.7%
2011	\$ 230,251,100	-6.4%	\$ 205,578,994	-1.6%
2012	\$ 218,254,900	-5.2%	\$ 199,533,902	-2.9%
2013	\$ 209,670,500	-3.9%	\$ 195,871,527	-1.8%
2014	\$ 206,306,100	-1.6%	\$ 193,126,004	-1.4%
2015	\$ 208,290,900	1.0%	\$ 193,602,172	0.2%
2016	\$ 207,401,200	-0.4%	\$ 186,707,047	-3.6%
2017	\$ 207,245,600	-0.1%	\$ 189,040,598	1.2%
2008 to 2017	\$ (50,148,400)	-20.2%	\$ (23,398,341)	-11.0%

SEV & Taxable Value

Taxable Value Growth Rate

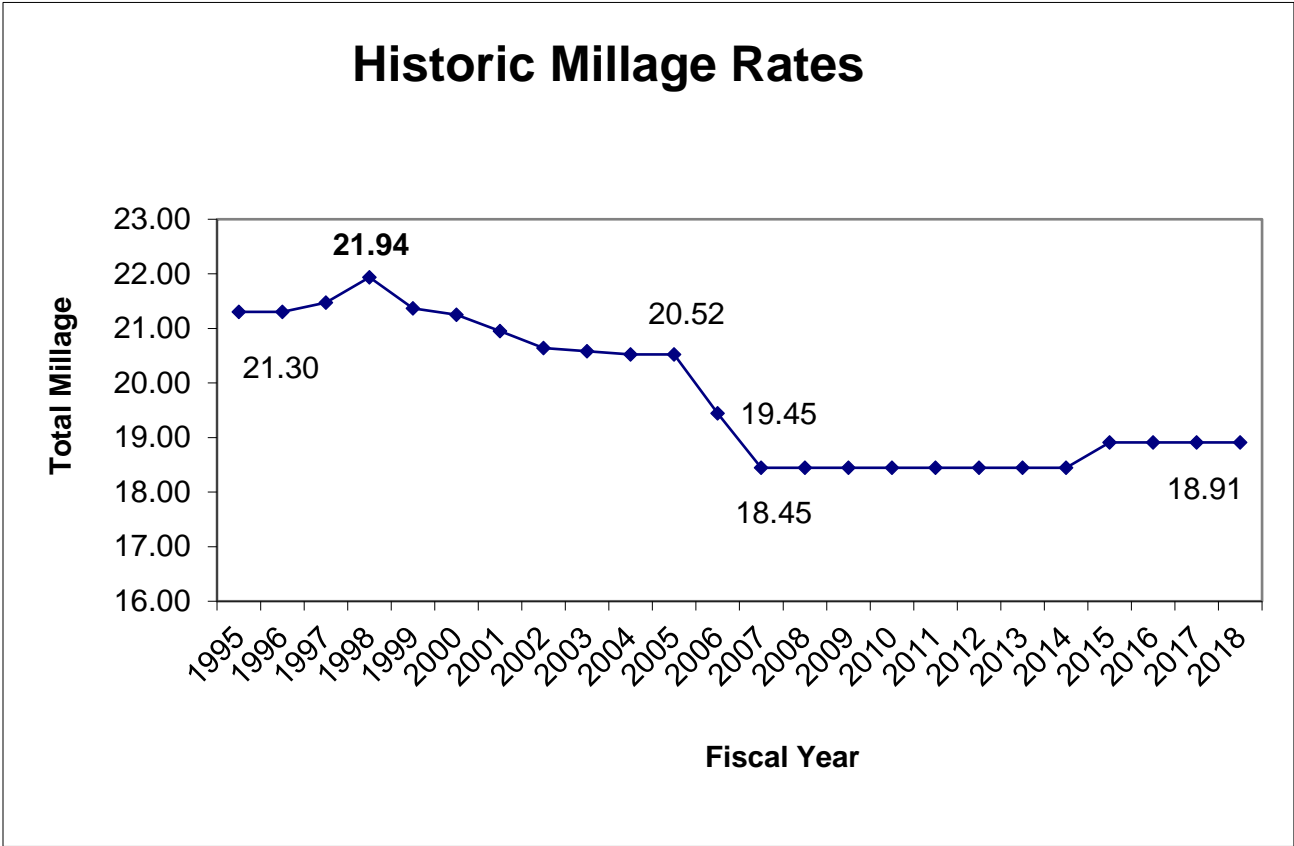


SEV Growth Rate



Millage Rates

Historic City millage rates are presented below.



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2017
General	18.52	18.52	18.52	18.52	18.52	18.50	18.50	18.19	18.13	18.07	18.07	17.95	16.95	16.95	16.95	16.95	17.30	17.30	17.30	17.30	17.76	17.76	17.76	17.76
Refuse	2.78	2.78	2.95	2.78	2.25	2.25	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Voted Fire	0.00	0.00	0.00	0.64	0.60	0.50	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	21.30	21.30	21.47	21.94	21.37	21.25	20.95	20.64	20.58	20.52	20.52	19.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.45	18.91	18.91	18.91	18.91
Reduction Amount	0.00	0.17	0.47	(0.57)	(0.12)	(0.30)	(0.31)	(0.06)	(0.06)	(0.00)	(1.08)	(1.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	0.00
Cumulative Reduction	0.00	0.17	0.64	(0.57)	(0.69)	(0.99)	(1.30)	(1.35)	(1.41)	(1.42)	(2.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.03)	(3.03)	(3.03)	(3.03)
Percent Change				0.0%	-2.6%	-0.6%	-1.4%	-1.5%	-0.3%	-0.3%	0.0%	-5.2%	-5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%
Cumulative Change				0.0%	-2.6%	-3.1%	-4.5%	-5.9%	-6.2%	-6.4%	-6.5%	-11.4%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-13.8%	-13.8%	-13.8%	-13.8%

General Fund Balance

Year		Fund Balance	Change	Percent Change
1984	\$	261,983		
1985	\$	253,905	\$ (8,078)	-3.1%
1986	\$	147,590	\$ (106,315)	-41.9%
1987	\$	227,944	\$ 80,354	54.4%
1988	\$	113,117	\$ (114,827)	-50.4%
1989	\$	84,508	\$ (28,609)	-25.3%
1990	\$	108,814	\$ 24,306	28.8%
1991	\$	189,768	\$ 80,954	74.4%
1992	\$	281,768	\$ 92,000	48.5%
1993	\$	252,763	\$ (29,005)	-10.3%
1994	\$	289,859	\$ 37,096	14.7%
1995	\$	253,721	\$ (36,138)	-12.5%
1996	\$	258,724	\$ 5,003	2.0%
1997	\$	309,869	\$ 51,145	19.8%
1998	\$	345,869	\$ 36,000	11.6%
1999	\$	502,871	\$ 157,002	45.4%
2000	\$	766,962	\$ 264,091	52.5%
2001	\$	728,008	\$ (38,954)	-5.1%

Year		Fund Balance	Change	Percent Change
2002	\$	1,197,158	\$ 469,150	64.4%
2003	\$	1,233,804	\$ 36,646	3.1%
2004	\$	1,214,416	\$ (19,388)	-1.6%
2005	\$	1,256,500	\$ 42,084	3.5%
2006	\$	1,206,658	\$ (49,842)	-4.0%
2007	\$	860,121	\$ (346,537)	-28.7%
2008	\$	724,428	\$ (135,693)	-15.8%
2009	\$	853,777	\$ 129,349	17.9%
2010	\$	919,939	\$ 66,162	7.7%
2011	\$	981,234	\$ 61,295	6.7%
2012	\$	1,175,303	\$ 194,069	19.8%
2013	\$	1,121,904	\$ (53,399)	-4.5%
2014	\$	1,087,038	\$ (34,866)	-3.1%
2015	\$	1,051,792	\$ (35,246)	-3.2%
2016	\$	927,540	\$ (124,252)	-11.8%
2017Exp	\$	1,000,887	\$ 73,347	7.9%
2018Bud	\$	1,000,887	\$ -	0.0%
2019Proj	\$	987,816	\$ (13,071)	-1.3%
2020Proj	\$	930,497	\$ (57,319)	-5.8%
2021Prj	\$	849,060	\$ (81,437)	-8.8%

Water & Sewer Rates

The chart below shows historical water & sewer rates. A professional rate study was commissioned in 2014 which resulted in a change in the rate structure in FY 2015. The primary difference was putting a greater reliance on the Ready-To-Serve charge.

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	New Rate Structure		2016	2017	Budget 2018
Water per 1000G	\$1.63	\$1.79	\$1.86	\$1.90	\$1.95	\$2.04	\$2.16	\$2.25	\$2.48	\$2.60	\$2.72	\$2.84	\$3.03	\$3.37	\$2.52	\$2.67	\$2.83	\$2.93
Sewer per 1000G	\$3.53	\$3.57	\$3.71	\$3.80	\$3.90	\$4.08	\$4.32	\$4.50	\$4.97	\$5.20	\$5.44	\$5.68	\$6.06	\$6.74	\$6.91	\$7.32	\$7.76	\$8.03
Bond Debt 5/8"	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60				
Water RTS															\$3.57	\$3.78	\$4.01	\$4.15
Sewer RTS															\$10.27	\$10.89	\$11.54	\$11.94
Typical Bill (6,000 G per Month)	\$37.56	\$38.76	\$40.02	\$40.80	\$41.70	\$43.32	\$45.48	\$47.10	\$51.30	\$53.40	\$55.56	\$57.72	\$61.20	\$67.26	\$70.42	\$74.61	\$79.09	\$81.86
Dollar Increase		\$1.20	\$1.26	\$0.78	\$0.90	\$1.62	\$2.16	\$1.62	\$4.20	\$2.10	\$2.16	\$2.16	\$3.48	\$6.06	\$3.16	\$4.19	\$4.48	\$2.77
Percent Increase		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%	4.0%	6.0%	10.0%	4.7%	6.0%	6.0%	3.5%
Annual Increase																\$50.28	\$53.76	\$33.22

Grants Received

City of Manistee Grants

Year	Name	Project	Amount	Year	Name	Project	Amount
2002	MSHDA Rental Rehab	Rehab Apts.	\$ 350,000	2009	MDOT Category F	Old US 31 Truck Route	\$ 110,000
2002	MCACA	Ramsdell Theatre	\$ 52,000	2009	MDOT Category A	Industrial Park Roads	\$ 378,000
2003	Michigan Rural Health	Rescue 5	\$ 40,000	thru 2009	Local Revenue Sharing	Variety of Items	\$ 716,745
2003	MDEQ Abandoned Well Mgt.	Plug old wells	\$ 35,000	2010	Local Revenue Sharing	Variety of Items	\$ 48,800
2003	MCACA	Ramsdell Theatre	\$ 49,000	2010	MDOT Local Bridge Fund	Maple Street Bridge	\$ 682,000
2003	Waterways Commission	1 st St Launch	\$ 37,000	2011	Consumers Energy	Trees	\$ 1,275
2004	MSHDA Neighborhood	Infrastructure	\$ 829,000	2011	Local Revenue Sharing	Variety of Items	\$ 194,331
2004	MSHDA New Homes	Grove St. Homes	\$ 430,000	2011	Great Lakes Fishery Trust	Fish Cleaning Station	\$ 75,000
2004	EPA Brownfield Pilot	Assessment	\$ 200,000	2011	MNRTF	Beach House	\$ 280,000
2004	MCACA	Ramsdell Theatre	\$ 47,500	2011	MDEQ Abandoned Well Mgt.	S2 Sewer Study	\$ 204,300
2005	MDOT	Memorial Dr. Paving	\$ 30,000	2011	MDEQ	Principal Forgiveness	\$ 78,000
2005	EPA Brownfield #2	Inventory	\$ 195,000	2012	Local Revenue Sharing	Variety of Items	\$ 112,246
2005	Cool Cities	Peninsula Plan	\$ 400,000	2012	MDOT	Kosciusko Street	\$ 172,804
2005	Corps of Engineers	Wave Study	\$ 35,000	2012	FEMA	Turn-Out Gear	\$ 36,000
2005	MEDC	5th Ave Paving	\$ 250,000	2013	Consumers Energy	Trees	\$ 3,000
2005	MSHDA CBD	Downtown Apts.	\$ 465,000	2013	Land and Water Conservation Fund	Playground	\$ 48,000
2005	MCACA	Ramsdell Theatre	\$ 22,200	2013	MDEQ	Dredge	\$ 58,500
2006	MEDC	Wash St. Paving	\$ 292,000	2013	Local Revenue Sharing	Variety of Items	\$ 43,030
2006	State of Michigan	Voting Machines	\$ 37,000	2013	FEMA	Air Station & SCBA	\$ 49,590
2006	State of Michigan	Voting Access	\$ 13,000	2014	LRSB	Variety of Items	\$ 28,220
2006	Waterways Commission	Marina Docks	\$ 34,500	2015	LRSB	Variety of Items	\$ 26,214
2006	MCACA	Ramsdell Theatre	\$ 18,200	2015	FEMA	Exhaust Handling	\$ 47,620
2007	MDOT Category F	Old US 31 Truck Route	\$ 232,000	2016	LRSB		
2007	MDOT Small Urban	Old US 31 Truck Route	\$ 350,000	2017	CDBG	North Channel Outlet	\$ 970,000
2007	Federal Appropriation	Maple Street Bridge	\$ 341,500				
2007	MCACA	Ramsdell Bathrooms	\$ 20,500				
2007	Waterways Commission	Marina Gas Dock Kiosk	\$ 21,600				
2008	MDOT Local Bridge Fund	Maple Street Bridge	\$ 500,000				
2008	MNRTF	Man-Made Lake	\$ 2,016,000				
2008	EPA Hazardous	Assessment	\$ 195,000				
2008	EPA Petroleum	Assessment	\$ 195,000				
2008	Waterways Commission	First Street Launch	\$ 17,435				
2008	Access to Recreation (WK Kellogg)	Marina Handicap Lift	\$ 20,000				
2008	Waterways Commission	Arthur St. Boat Launch	\$ 102,833				
2008	Waterways Commission	Marina Building Improvements	\$ 329,800				
2008	Great Lakes Fishery Trust	Arthur St. Boat Launch	\$ 200,000				
Grand Total							\$ 12,766,743

Population

A history of census data counts has been prepared. The official 2010 census data showed a loss of 320 people from 2000.

